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Kein Hing International Berhad (616056-T)
Lot 1863, Jalan Kolej, 43300 Seri Kembangan
Selangor Darul Ehsan, Malaysia.

Kein Hing International Berhad (616056-T)

annual report **2012**

Zenne®

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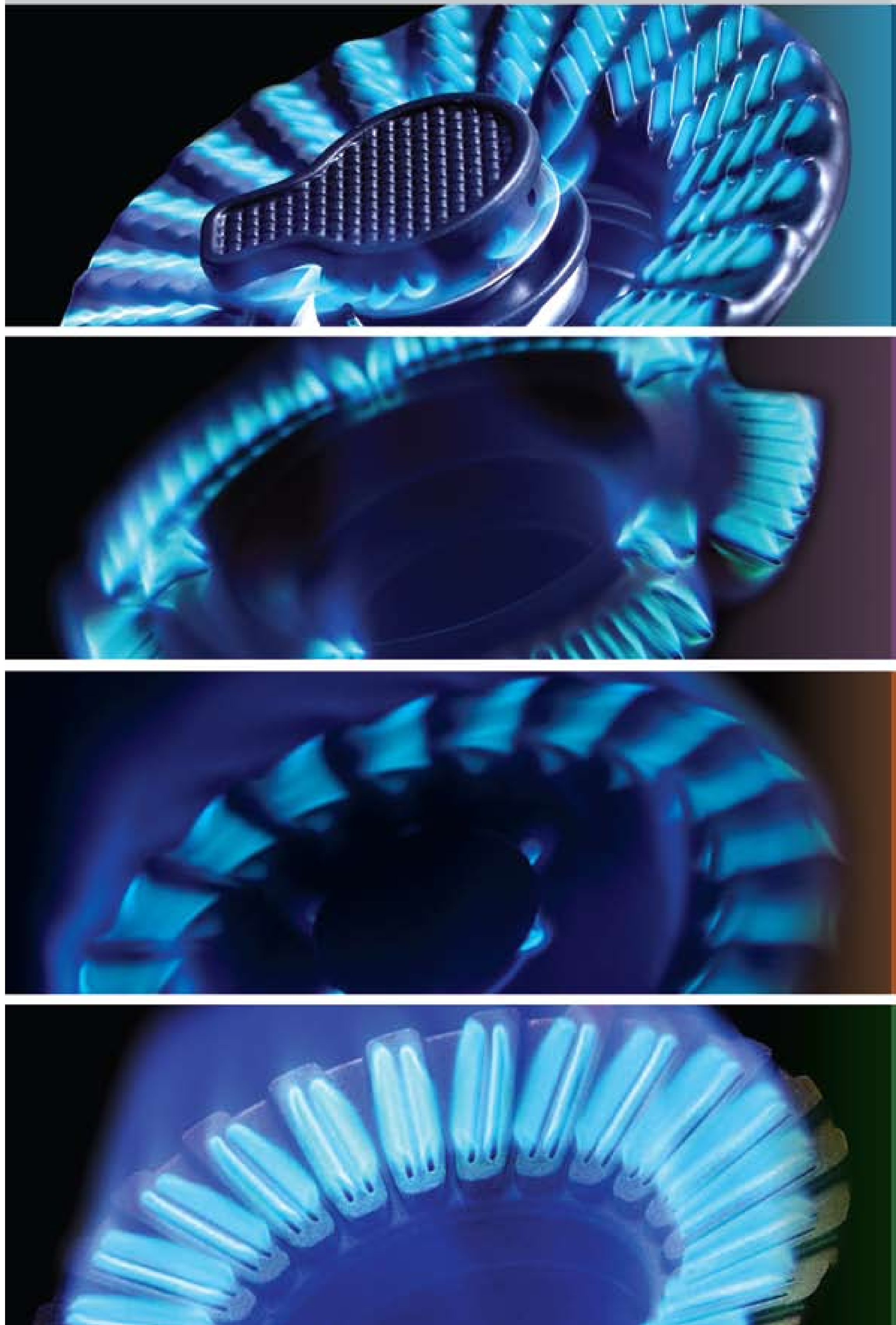
Kein Hing International Berhad (616056-T)

(Incorporated in Malaysia under the Companies Act, 1965)



2012

annual report

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(Chairman)

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SHINGO MURAMOTO

YONG ELAINE

SWEE SOO MANG

GAN CHEE TSONG

AUDIT COMMITTEE

Swee Soo Mang (Chairman)

Darsan Singh a/l Balwant Singh

Gan Chee Tsong

COMPANY SECRETARY

Ng Yim Kong (LS 0009297)

REGISTERED OFFICE

Lot 1863, Jalan Kolej,
43300 Seri Kembangan,
Selangor Darul Ehsan.
Tel : 03 - 8942 4650
Fax : 03 - 8948 9261
E-mail : irkhib@keinhing.com
Website: www.keinhing.com

AUDITORS

Messrs KPMG
Level 10, KPMG Tower,
8, First Avenue,
Bandar Utama,
47800 Petaling Jaya,
Selangor Darul Ehsan.
Tel : 03 - 7721 3388
Fax : 03 - 7721 3399

SOLICITORS

Messrs Darshan Chong & Co.
No.1, Jalan Perkasa 8,
Taman Maluri, Cheras,
55100 Kuala Lumpur.
Tel : 03 - 9284 4694
Fax : 03 - 9284 6895

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
Public Bank Berhad

REGISTRAR

Tricor Investor Services Sdn. Bhd.
Level 17, The Gardens North Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur.
Tel : 03 - 2264 3883
Fax : 03 - 2282 1886

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
("Bursa Securities")
Stock Name : Keinhin
Stock Code : 7199

CORPORATE STRUCTURE

KEIN HING INTERNATIONAL BERHAD

- 100% KEIN HING INDUSTRY SDN. BHD.
- 51% KEIN HING MURAMOTO (VIETNAM) CO., LTD.
- 100% KEIN HING INDUSTRY VIETNAM CO., LTD.
- 51% SANKO KEIN HING SDN. BHD.
- 100% ZENNE APPLIANCES SDN. BHD.
- 97% KEIN HING APPLIANCES SDN. BHD.
- 80% KEIN HING POLY-CHROME (VIETNAM) CO., LTD.
- 25% POLYCHROME SDN. BHD.

20%

Company	Principal Activities
SUBSIDIARIES	
Kein Hing Industry Sdn. Bhd.	Sheet metal forming, precision machining, component assembly and manufacture and sale of gas appliances
Kein Hing Muramoto (Vietnam) Co., Ltd.	Sheet metal forming, precision machining and assembly of components for electronic, automotive and other industries
Kein Hing Industry Vietnam Co., Ltd.	Sheet metal forming, precision machining, manufacturing and fabrication of tools and dies and assembly of components
Sanko Kein Hing Sdn. Bhd.	Precision machining of electronics and electrical industries components
Zenne Appliances Sdn. Bhd.	Trading and distribution of gas appliances
Kein Hing Appliances Sdn. Bhd.	Trading in electrical and electronics products and home appliances
Kein Hing Polychrome (Vietnam) Co., Ltd.	Dormant
ASSOCIATED COMPANY	
Polychrome Sdn. Bhd.	Electroplating, iron founders, tinplate makers and smelters

PROFILE OF BOARD OF DIRECTORS

DARSAN SINGH A/L BALWANT SINGH

58
Independent Non-Executive Chairman

Darsan Singh a/l Balwant Singh, a Malaysian, was appointed to the Board of Directors of Kein Hing International Berhad ("KHIB") on 9 August 2004. On 18 January 2008, he was appointed as Chairman of KHIB. He obtained a Bachelor of Law (Honours) degree from the University of Buckingham, United Kingdom in 1980 and went on to complete his Bar at Grays Inn, London, United Kingdom. He was called to the Bar of England and Wales, United Kingdom in 1981 and was admitted to the Malaysian Bar the following year.

He began his career in Balwant Singh & Co. in 1982 and later joined Othman Hashim, Chen & Co. in 1985. He has been an active practising lawyer in various areas such as corporate and commercial, conveyancing and litigation. In 1987, he set up Darshan, Chong & Co. and is currently the senior partner of the firm.

At present, he sits on the Board of Directors of several other private limited companies. He does not have any family relationships with any Director and/or substantial shareholders of KHIB. He does not have any conflict of interest with KHIB. He has no conviction for any offence within the past ten (10) years other than traffic offences, if any.

He is currently the Chairman of the Board of Directors and the Chairman of both the Nomination Committee and Remuneration Committee, and a member of the Audit Committee of KHIB.

YAP TOON CHOY

56
Group Managing Director

Yap Toon Choy, a Malaysian, was appointed to the Board of Directors of KHIB on 9 August 2004. He obtained a Bachelor of Science degree cum laude majoring in Mechanical Engineering from the Washington State University, USA in 1980.

In 1981, he became a Director of Kein Hing Industry Sdn. Bhd. ("KHI") and was subsequently appointed as the Managing Director in 1983. Since his involvement in 1981, he has envisioned that the metal stamping/ forming industry would form the basic foundation of any developed country and this has spurred his dedication in this industry. Over the years in KHI, he gained valuable experience and technical know-how especially through dealings with his Japanese counterparts. With approximately twenty-five (25) years of experience in the metal stamping/ forming industry, he is the driving force of the Group and is actively involved in various key aspects of the Groupís management.

He currently sits on the Board of Directors of several other private limited companies. Yap Toon Choy is the spouse of Yong Elaine, who is an Executive Director and major shareholder of KHIB. Save for the recurrent related party transactions disclosed in the Circular to Shareholders dated 25 September 2012, he does not have any conflict of interest with KHIB. He has no conviction for any offence within the past ten (10) years other than traffic offences, if any.

He is currently a member of the Remuneration Committee of KHIB.

PROFILE OF BOARD OF DIRECTORS

SHINGO MURAMOTO

65
Non-Independent
Non-Executive Director

Shingo Muramoto, a Japanese, was appointed to the Board of Directors of KHIB on 1 April 2005. He obtained a degree in Bachelor of Economy from the Kounan University Osaka, Japan. He began his career with IBM Corp. Tokyo, Japan in Marketing Department in 1970. He has held various positions throughout the twenty (20) years with IBM Corp. Tokyo, Japan. His last position held was IT Manager before he left IBM Corp. Tokyo, Japan in 1990. Thereafter, he joined the Muramoto Group in its headquarter in Kobe, Japan and was appointed Director. In the year 2000, he was appointed as the Managing Director of the Muramoto Group.

His vast experience and supreme business acumen has contributed to the future and growth of the KHIB Group, whilst the Muramoto Group is one of KHIB's major customers and Strategic Partner in every aspect of ventures and operations.

At present, he sits on the Board of Directors of several other private limited companies. He does not have any family relationship with any Director and/or substantial shareholders of KHIB. Save for the recurrent related party transactions disclosed in the Circular to Shareholders dated 25 September 2012, he does not have any conflict of interest with KHIB. He has no conviction for any offence within the past ten (10) years other than traffic offences, if any.

YONG ELAINE

53
Executive Director

Yong Elaine, a Singaporean, was appointed to the Board of Directors of KHIB on 9 August 2004. She obtained a Bachelor of Arts degree in Business Administration majoring in Banking and Finance from the Washington State University, USA in 1981.

During her stay in the USA, she has participated in the provision of management counseling services to the business community in Washington State, USA. She started her career in 1982 as an administrative executive trainee at Wing On Life Assurance (H.K.) Pte Ltd in Singapore.

She currently sits on the Board of Directors of several other private limited companies. Yong Elaine is the spouse of Yap Toon Choy, who is the Managing Director and major shareholder of KHIB. Save for the recurrent related party transactions disclosed in the Circular to Shareholders dated 25 September 2012, she does not have any conflict of interest with KHIB. She has no conviction for any offence within the past ten (10) years other than traffic offences, if any.

PROFILE OF BOARD OF DIRECTORS

SWEE SOO MANG

60
Independent Non-Executive Director

Swee Soo Mang, a Malaysian, was appointed to the Board of Directors of KHIB on 9 August 2004. He obtained a Diploma in Accounting from the London Chamber of Commerce Institution in 1973.

He began his career with Chan & Folk in 1971. He then joined Hong Leong Management Co. Sdn Bhd in 1976 and subsequently joined Hong Leong Leasing Sdn Bhd as a Marketing Executive. Between 1980 and 1990, he was attached to Supreme Leasing Sdn Bhd and later left as a Senior Business Manager. In 1990, he joined MBF Finance Berhad as a Senior Manager of the Credit Department in its headquarters and was later promoted to General Manager.

He left MBF Finance Berhad in 1998 and is presently a financial adviser and corporate financial adviser to various private commercial firms. At present, he sits on the Board of Directors of several other private limited companies. He does not have any family relationship with any Director and/or substantial shareholder of KHIB. He does not have any conflict of interest with KHIB. He has no conviction for any offence within the past ten (10) years other than traffic offences, if any.

He is currently the Chairman of the Audit Committee and a member of both Nomination Committee and Remuneration Committee of KHIB.

GAN CHEE TSONG

37
Independent Non-Executive Director

Gan Chee Tsong, a Malaysian, was appointed to the Board of Directors of KHIB on 26 July 2007. He obtained a Bachelor of Commerce degree with distinction majoring in Accounting and Finance from Curtin University of Technology in 1998. He is also a member of the Malaysian Institute of Accountants.

He began his career with Yeng & Co., an audit firm, in 1999, as an audit assistant and progressively promoted to Audit Senior until he left in 2003. Later in the same year, he joined another audit firm, Moores Stephen as Audit Senior. In 2004, he joined Tenco Berhad as an Accountant. He has experience in servicing a wide spectrum of clients in varied industries.

He does not have any family relationship with any Director and/or substantial shareholders of KHIB. He does not have any conflict of interest with KHIB. He has no conviction for any offence within the past ten (10) years other than traffic offences, if any.

He is currently a member of the Audit Committee and Nomination Committee of KHIB.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors of Kein Hing International Berhad, I am pleased to present to you the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 30 April 2012.

OPERATING ENVIRONMENT

Based on the indication from Bank Negara Malaysia Annual Report 2011, the Malaysian economy is projected to experience a steady pace of growth between 4% to 5% in the calendar year 2012. Domestic demand is expected to remain resilient and will continue to be the anchor for growth.

Whilst the prospects for the regional economy remain positive in 2012, we are particularly vigilant on the uncertainties in the global economy following the worsening of the Euro zone crisis and the resulting volatility as well as impending signs of economic slowdown in the US and Europe. There are also indications that high growth economies such as the Chinese and Indian economies are heading towards much slower growth than anticipated. Even if the major economies somehow able to accomplish a turnaround feat, it still needs to address the double whammy of high unemployment rates coupled with persistently high inflation and potential bubbles within these economies.

Against these highly volatile concerns on the global backdrop, our Group expects a very challenging year ahead, moving into the 2012/2013 period.

FINANCIAL REVIEW

During the financial year under review, our Group encountered fluctuation in customers' demand where revenue increased in the first half of the financial year but declined subsequently due to slowdown in customers' order particularly for flat panel television component parts as our major customers braced themselves against stiff competition from rivals and a strong Japanese Yen.

Despite the above, our Group achieved revenue of RM166.2 million for the financial year ended 30 April 2012 as compared to RM164.4 million last year, representing a slight increase of RM1.8 million or 1%. The strong customers' demand in both Malaysia and Vietnam in the first half of the financial year had reduced the impact from the subsequent decline in revenue. However, our Group reported a lower profit attributable to owners of the Company of RM6.1 million as compared to RM9.1 million last year, representing a decrease of RM3.0 million or -33% mainly due to the one-time loss of RM1.7 million resulting from the disposal of investment in an associate, and to the one-time gain of RM0.9 million arising from sale of a land use rights in Vietnam which was recognised in last financial year. Our Group's bottom line should remain relatively intact as in last year if the one-time gain and loss were excluded.

CHAIRMAN'S STATEMENT

Our Group financial position as at the end of the reporting period strenghthened with total equity attributable to owners of the Company increased by RM4.1 million, representing a 5% year-on-year growth from RM84.2 million to RM88.3 million, translating into net assets per share of 89 sen as at 30 April 2012.

BUSINESS OUTLOOK AND PROSPECTS

Looking at the horizon, the Group foresees a very challenging year ahead with the possibility of a sudden plunge in the world economies, especially if the Euro zone economies fail to extract a workable solution for its intricate structural problem inherent in its economy.

Nonetheless, the Group has confident it will plough through these challenges and emerge ever more resilient as was proven by the Group's track record. The strategies of overseas expansion, increasing overall export percentage and diversification into the consumers market segment has been on-going for the last few years, in anticipation of the worsening conditions prevalent in the industry.

Despite the challenges, the Group remains steadfastly committed to focus on its core business of metal forming and its downstream related diversification and at the same time strive to enhance shareholders' value, which includes but not limited to seek synergic merger, value-added acquisition or joint venture opportunity in related businesses.

The "Zenne" gas cooker range, which received keen interest from local and oversea consumers, has been steadily gaining acceptance and accolades. At the date of reporting, the gas cookers have been exported to all of the major South East Asia Markets, including Singapore, Vietnam, the Philippines and Myanmar. Going forward, the Group believes that the Gas Cookers' range will continue to perform well in these markets and the Group is striving to gain a foothold in other regional market as well.

Barring unforeseen circumstances, the Board expects the performance of the Group to remain satisfactory for the financial year ending 30 April 2013.

DIVIDENDS

The Board has proposed to declare a First and Final Tax-Exempt Dividend of 1 sen per ordinary share for the financial year ended 30 April 2012 amounting to RM990,000.00 subject to the approval of shareholders at the forthcoming Ninth Annual General Meeting to be held on Wednesday, 17 October 2012.

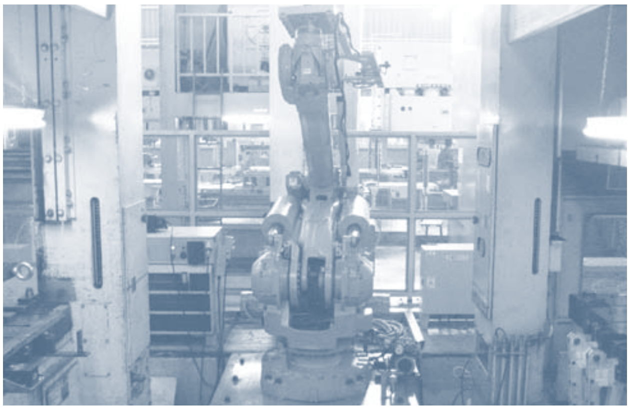
CORPORATE SOCIAL RESPONSIBILITY ("CSR") AND COMMUNITY DEVELOPMENT

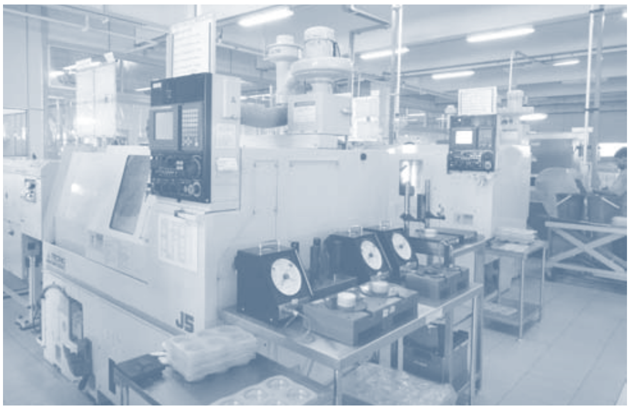
The Board, whilst pursuing the business objectives of growth in enhancing shareholder value, is also cognizant of its corporate social responsibility and the importance of the contribution it can make in respect thereof, particularly towards improving the workplace, the community it operates in and the environment.

The Group is constantly reviewing its workplace and policies to provide a conducive working environment and ensure proper development and utilization of its human resources. Personal development is encouraged and employees are encouraged to improve their knowledge through attendance at relevant seminars and workshops, the cost of which are fully subsidized by the Group.

In the year under review, programs such as "Children Can Cook", landscaping activities, donation drive for various schools and NGO, waste reduction/recycling activities, company-wide blood donation and various health checks were scheduled throughout the year.

CHAIRMAN'S STATEMENT





The Group, through "Tadika Keluarga Harmoni & Indah", its very own version of Child Care Centre ("CCC") facility has been serving the employees of the Group as well as the Seri Kembangan community in early childhood education and development for more than a decade. Currently, the CCC now comprises fourteen (14) qualified teachers and helpers and has a total of eighty six (86) children. The Group will always find ways to contribute back to the society and nurture a caring atmosphere in and around its sphere of operation.

The Group, through its Environment Management Department (EMD), has continued to implement various environmental friendly systems and disseminate safety information to all employees in the Group's operating factories. The on-going improvement in environment protection, health and safety measures have consistently improved the factory environment and contributed a lot more than any mere quantifiable numbers. Our Experience has alluded to the fact that CSR activities can indeed be leveraged to bring about a deep sense of belonging and loyalty. It ultimately inspires and aligns individuals and society with our corporate goals.

Besides the core theme of safety, health, social and environment, our Group has hosted the "Zenne Badminton Tournament" for children and has placed various outdoor and sports activities prominently in our busy corporate schedule. The Group strongly believes that a multi-facet involvement in social, sports and community activities will help the Group in discharging its responsibilities to all stakeholders and in turn, contribute to the noble cause of nation building.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to convey my appreciation to all the Directors, Management and employees of our Group for their strong commitment and contribution towards the continued success of our Group. I would also like to take this opportunity to thank our shareholders, customers, business associates, partners and the relevant government authorities for their continuing support of our Group.

Darsan Singh a/l Balwant Singh
Chairman

Date : 25 September 2012

STATEMENT ON CORPORATE GOVERNANCE

1. MANAGEMENT WITH INTEGRITY, TRANSPARENCY AND ACCOUNTABILITY

The Board of KHIB is committed to adopt high standards of corporate governance throughout KHIB and its subsidiary companies. The Group appreciates the importance of corporate governance in discharging its responsibility and promoting corporate accountability with the ultimate objective of enhancing shareholders' value. The Board has embarked, as far as practicable, towards compliance of key principles of the Malaysian Code on Corporate Governance ("the Code").

As such, the Board strives to practice the substances over forms in adopting the underlying principle of the Code. In preparing this report, the Board has considered the manner in which it has applied the Principles of the Code and Best Practices.

2. DIRECTORS

The Board

The Company is led by a proactive Board with a mix of management and entrepreneurial skills, supported by independent directors who bring to the Board their different fields of training and expertise. The profile of each Director is set out on pages 4 to 6 of this Annual Report. The Board is satisfied that no individual or group of individuals dominates the Board's decision-making process.

The Board is entrusted with the responsibility of setting the goals and the direction of the Group. It also oversees the conduct of the Group's businesses, ensuring various control systems are in place as well as regularly evaluating such systems to ensure its integrity. The controls are necessary to mitigate the risks associated with the businesses of the Group.

With the right mix of size, experience, knowledge and expertise, the Board provided the means for effective management and perspectives, which are vital for the strategic success of the Group.

In order to efficiently managed, the Board meets on a quarterly basis or as when required. During the financial year under review, five (5) Board meetings were held while all the Directors have complied with the requirements in respect of board meeting attendance as provided in the Bursa Securities' requirement.

The Board collectively reviews and considers all corporate proposals prior to their implementation. Corporate proposals are put to vote after careful deliberation. The Chairman of the meeting shall have a second or casting vote in the event of a tie in votes for or against any particular proposal.

The Board is updated on Group's affairs at Board meetings. The Directors are encouraged to obtain information on the Group's activities by consultation with senior management at any time. This is to ensure and enable the Board members to discharge their duties and responsibilities competently and in an informed manner.

The Board Balance

The Board comprises six (6) members, of which two (2) are Executive Directors, three (3) of the four (4) Non-Executive Directors are Independent. This is in compliance with Paragraph 15.02 of the Listing Requirements of Bursa Securities, where at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors. All Independent Non-Executive Directors are independent of management and free of any relationship that could interfere with their exercise of independent judgment.

Both the Independent Non-Executive Chairman and the Managing Director have distinct and separate roles. The Independent Non-Executive Chairman is responsible for effective operation and performance of the Board whilst the Managing Director is responsible for the management of the Group.

2. DIRECTORS (CONT'D)

The Board Balance (Cont'd)

The three (3) Independent Non-Executive Directors fulfill an important role in corporate accountability as they furnish balanced and independent view to the Board, particularly on issues pertaining to shareholders, stakeholders and various communities in which the Group operates.

The Board recognises the need to appoint a Senior Independent Non-Executive Director, as prescribed under the Best Practices of the Code. As such, Mr. Swee Soo Mang has been appointed Senior Independent Non-Executive Director to facilitate effective communication with other stakeholders and shareholders.

Certain responsibilities of the Board have been delegated to three (3) Board committees; namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, which operate within clearly defined terms of reference and finally report to the Board. Ultimately, the decisions and responsibilities will be assumed by the Board.

The Board conducts regular meetings for full financial and business reviews and discussions. The Board met five (5) times during the financial year ended 30 April 2012 and details of the Directors' attendance are as appended below:

Directors	Number of Meeting Attended
Darsan Singh a/l Balwant Singh	5/5
Shingo Muramoto	5/5
Yap Toon Choy	5/5
Yong Elaine	4/5
Liew Choon Fong*	5/5
Swee Soo Mang	5/5
Gan Chee Tsong	5/5

** Resigned on 27 August 2012*

Supply of Information

Reports and Board papers on operational, financial and corporate issues as well as minutes of Board Committees' meetings are circulated in advance to all Board Members prior to the meetings. Sufficient time is provided to enable the Directors to review and to obtain further information. Further details or supplementary information may be provided when the needs arise.

All the Directors have direct access to the advice and services of Senior Management and the Company Secretary in carrying out their duties. Independent professional advice can be sought if circumstances necessitate it, and with the consent of the Board.

Directors' Training

All Directors have attended the Mandatory Accreditation Programme (MAP) as prescribed by Bursa Securities and they have been notified of the requirement to attend the Continuing Education Programme (CEP) recommended by Bursa Securities.

The Directors of the Company had attended briefing given by the Company Secretary pertaining to the subject of "Immediate Disclosure of Material Information, Corporate Disclosure Policy and Amendment to Main Market Listing Requirements" held on 23 March 2012.

The directors will continue to undergo other relevant training programmes, briefings and conference that will further enhance their skills and broaden their perspective.

2. DIRECTORS (CONT'D)

Appointment to the Board

In compliance with the Code, a Nomination Committee was set up on 6 December 2004 and is entrusted with the following responsibilities:

The functions of the Nomination Committee include:

- review and recommend to the Board the optimal size of the Board;
- review and recommend the requisite mix of skills, experience and other attributes, including core competencies of all the Directors;
- consider candidates for directorship proposed by the Group Managing Director, other senior executives, Directors or shareholders, in making its recommendation;
- assess the transparency of procedures for proposing new nominees to the Board and committees of the Board; and
- assess the effectiveness of the Board as a whole and the contribution made by each individual Director and Committee member.

The Nomination Committee comprises three (3) Non-Executive Directors, all of whom are Independent Directors. The members of Nomination Committee are as follows:-

Nomination Committee Members	Directorship
Darsan Singh a/l Balwant Singh (Chairman)	Independent Non-Executive Director
Swee Soo Mang	Independent Non-Executive Director
Gan Chee Tsong	Independent Non-Executive Director

Re-election of Directors

In accordance with Articles of Association of the Company, one-third (1/3) of the Directors are required by rotation to submit themselves for re-election by shareholders at every Annual General Meeting ("AGM").

All Directors are required to submit themselves for re-election by shareholders at the AGM, at least once for every three (3) years to comply with the Code and the Articles of Association of KHIB.

Any person appointed by the Board either to fill a casual vacancy or as an addition to the existing number of Directors, shall hold office only until the next annual general meeting and shall then be eligible for re-election.

3. DIRECTORS' REMUNERATION

In compliance with the Code, a Remuneration Committee was set-up on 6 December 2004 and is entrusted with the following responsibilities:

a) Recommend to the Board the remuneration packages for the Executive and Non-Executive Directors.
b) Assist the Board in assessing the responsibility and commitment undertaken by the Board membership.
c) Assist the Board in ensuring the remuneration packages for the Directors reflect the responsibility and commitment of the Directors concerned.

3. DIRECTORS' REMUNERATION (CONT'D)

The members of the Remuneration Committee, which comprise a majority of Non-Executive Directors, are as follows:

Remuneration Committee Members	Directorship
Darsan Singh a/l Balwant Singh (Chairman)	Independent Non-Executive Director
Swee Soo Mang	Independent Non-Executive Director
Yap Toon Choy	Group Managing Director

Details of the remuneration for the Directors of the Company for the financial year ended 30 April 2012 are as follows:-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Fees	-	100
Emoluments	1,115	19
Employees Provident Funds	133	-
Benefit-in-kind	103	-

The number of Directors of the Company whose total remuneration falls within the following bands:-

Range or Remuneration	Executive Directors	Non-Executive Directors
RM50,000 and below	-	4
RM150,001 to RM200,000	1	-
RM200,001 to RM250,000	1	-
RM950,001 to RM1,000,000	1	-

4. SHAREHOLDERS

The Board acknowledges the importance of accountability and timely communication with its shareholders and stakeholders.

The annual reports and quarterly announcements remain the principal form of communication providing shareholders with an overview of the Group's activities and performance. The Annual General Meeting provides the principal platform for dialogue and avenue for direct interaction between the Board of Directors and shareholders/investors, who have the opportunity to raise questions on operations, financial and other major developments affecting the Group. The Board encourages active participation by the shareholders at General Meeting or to raise questions pertaining to the operations or financials of the Group. Alternatively, shareholders can seek additional information through the Group's website: www.keinhing.com.

5. ACCOUNTABILITY AND AUDIT

Financial Reporting
The Board is responsible to present a balanced and fair assessment of the Group financial performance and to ensure that due care and reasonable steps taken in regards to the compliance of the applicable accounting standards in all material aspect.

A statement by the Directors of their responsibilities for preparing the financial statements is set out under the Statement on Directors' Responsibility on page 22 of this Annual Report.

Internal Control
The Board recognises their responsibilities for overall internal control of the Group including but not limited to financial, operation, compliance and risk management. Adherence to the Code will be observed. The Statement of Internal Control are furnished on pages 20 to 21 of this Annual Report.

The internal audit function is outsourced and the fees paid to the internal audit firm for the financial year ended 30 April 2012 was RM31,800.

Relationship with Auditors
Through the Audit Committee, the Group has always maintained a close and transparent relationship with its external auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The Audit Committee undertakes to meet the external auditors without the presence of Executive Directors or management at least once a year.

Corporate Social Responsibilities
The Board of Directors of the Company, whilst pursuing the business objectives of growth in enhancing shareholder value, is also cognizant of the fact that it is an integral part of the society in which it operates. Hence, Corporate Social Responsibilities ("CSR") and community welfare activities have since been integrated into the Group's broad culture. Details of CSR activities have been set out in the Chairman Statement on page 8 of this Annual Report.

6. OTHERS

Utilisation of proceeds
There are no corporate proposals announced at the date of this Annual Report.

Material Contracts
During the financial year under review, there were no material contracts, including those related to loans, entered into by the Company and/or subsidiary companies, which involved Directors' and major shareholders' interests.

Profit Guarantee
There was no profit guarantee given by the Company during the financial year under review.

Options or Convertible Securities
No options or convertible securities were issued during the financial year under review.

Non-Audit Fees
Non-audit fees paid by the Group to the external auditors for the financial year ended 30 April 2012 was RM15,000.00 for verifying the Statement on Internal Control and other reporting.

6. OTHERS (CONT'D)

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")
During the financial year under review, the Company did not sponsor any ADR or GDR programme.

Recurrent Related Party Transactions of A Revenue or Trading Nature ("RRPTs")
Details of the Group's RRPTs made during the financial year ended 30 April 2012 pursuant to the shareholders' mandate obtained by the Company at the Eighth AGM held on 28 October 2011 are as follows:

No.	Nature of Recurrent Related Party Transaction	Related Parties	Names of Related Parties (Interested Director, Major Shareholder and Person Connected)	Aggregate value of the RRPTs during the financial year ended 30 April 2012 (RM)
1.	KHI produced metal components and tooling mould for Muramoto Technics (Malaysia) Sdn. Bhd. ("MTM").	MTM is a person connected to Yap Toon Choy, Director and Major Shareholder of the Company and Shingo Muramoto, Director and Shareholder of the Company	Yap Toon Choy, Shingo Muramoto, Yong Elaine and Muramoto Asia Pte. Ltd. ("Muramoto Singapore")	25,118,721
2.	KHI rented part of the factory space located at the following address to MTM:- Lot 1863 and Lot 1864, Jalan Kolej, 43300 Seri Kembangan, Selangor Darul Ehsan.	MTM is a person connected to Yap Toon Choy, Director and Major Shareholder of the Company and Shingo Muramoto, a Director and Shareholder of the Company	Yap Toon Choy, Shingo Muramoto, Yong Elaine and Muramoto Singapore	351,000
3.	KHI rented the premises and factory space located at the following addresses from T.C. Yap Holdings Sdn. Bhd. ("TCY Holdings"):- a) 1, 3, 5, 7, 9, 11, 11A, 15A, 17 & 19, Jalan Indah, 2/16, Taman Universiti Indah, 43300 Seri Kembangan, Selangor Darul Ehsan; and b) No.12-2, Block R2, Seksyen 6, Pangsapuri Mutiara Serdang, 43300 Serdang Raya, Selangor Darul Ehsan.	TCY Holdings is a person connected to Yap Toon Choy and Yong Elaine, a Directors and Major Shareholder of the Company	Yap Toon Choy and Yong Elaine	214,425

6. OTHERS (CONT'D)

Recurrent Related Party Transactions of A Revenue or Trading Nature ("RRPTs") (Cont'd)

No.	Nature of Recurrent Related Party Transaction	Related Parties	Names of Related Parties (Interested Director, Major Shareholder and Person Connected)	Aggregate value of the RRPTs during the financial year ended 30 April 2012 (RM)
4.	KHI rented five (5) apartment units and the premises located at the following addresses from Mr. Yap Toon Choy for the use by its employees and shop office purposes respectively:- a) Units No. C2-2, C3-2, C4-2, C5-2 and C6-2, Excelsa Apartments, Jalan Indah 1/9, Taman Universiti Indah, 43300 Seri Kembangan, Selangor Darul Ehsan. b) No. 13, Jalan Besar, Susur 1, 43300 Seri Kembangan, Selangor Darul Ehsan.	Yap Toon Choy is a Director and Major Shareholder of the Company and a person connected to Yong Elaine, a Director and Major Shareholder of the Company	Yap Toon Choy and Yong Elaine	114,000
5.	KHI produced metal components and tooling mould for Kein Hing Muramoto (Vietnam) Co. Ltd. ("KHMV").	KHMV is a person connected to Yap Toon Choy, Director and Major Shareholder of the Company and Shingo Muramoto, a Director and Shareholder of the Company	Yap Toon Choy, Shingo Muramoto, Yong Elaine and Muramoto Singapore	261,615
6.	ZA sold gas appliances to Muramoto Singapore.	Muramoto singapore is a person connected to Shingo Muramoto, a Director and Shareholder of the Company	Shingo Muramoto and Muramoto Singapore	98,712

Share Buy-Back
There were no share buy-backs by the Company during the financial year under review.

Variation of Results
There was no material variance between the results for the financial year and the unaudited results previously announced by KHIB.

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee comprises the following Directors:

Audit Committee Members	Directorship
Swee Soo Mang (Chairman)	Independent Non-Executive Director
Darsan Singh a/l Balwant Singh	Independent Non-Executive Director
Gan Chee Tsong	Independent Non-Executive Director

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Objective

The Audit Committee shall:

a) assist the Board of Directors in fulfilling its fiduciary responsibilities relating to accounting and reporting practices of the Company and the Group;
b) oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;
c) maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authorities and responsibilities;
d) determine the adequacy of the Group's administrative, operating and accounting controls; and
e) assist the Board of Directors in implementing the objectives outlined in the Risk Management Policy, reviewing and updating the existing risk profile and status of completion of action plans.

Members

a) The Audit Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall comprise not less than three (3) members, all of whom shall be Independent Directors.

b) A t least one (1) member of the Audit Committee:

   i) must be a member of the Malaysian Institute of Accountants; or
   ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-

      - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
      - he must be a member of one (1) of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
      - fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

c) No Alternate Director shall be appointed as a member of the Audit Committee.
d) The members of the Audit Committee shall elect a Chairman from among their number who shall be an Independent Director.
e) The Board of Directors shall review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.
f) If a member of the Audit Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (CONT'D)

Rights

The Audit Committee shall, whenever necessary and reasonable for its performance and in accordance with a procedure to be determined by the Board of Directors and at the Company's cost:

a) have authority to investigate any matter within its terms of reference;
b) have resources which are required to perform its duties;
c) have full and unrestricted access to any information pertaining to the Company;
d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
e) be able to obtain independent professional advice or other advice; and
f) be able to convene meetings with the external auditors, internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

Functions

The Audit Committee shall discharge the following functions:

a) review the following and report the same to the Board of Directors of the Company:

   i) with the external auditors, the audit plan;
   ii) with the external auditors, his evaluation of the system of internal controls;
   iii) with the external auditors, his audit report;
   iv) with the risk management coordinator, the quarterly risk management report;
   v) the assistance given by the employees of the Group to the external auditors;
   vi) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
   vii) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
   viii) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:

      - changes in or implementation of major accounting policy changes;
      - significant and unusual events; and
      - compliance with accounting standards and other legal requirements;

   ix) any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
   x) any letter of resignation from the external auditors of the Company;
   xi) whether there is reason (supported by grounds) to believe that the Group's external auditors are not suitable for re-appointment; and
   xii) identify and evaluate of new strategic risks including corporate matters (for example, regulatory, business development) and key operational risks.

b) recommend the nomination of a person or persons as external auditors;
c) prepare an Audit Committee Report at the end of each financial year;
d) report promptly to Bursa Securities where the Audit Committee is of the view that a matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach ofthe Bursa Securities' Listing Requirements; and
e) any other functions as may be agreed to by the Audit Committee and the Board of Directors.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (CONT'D)

Attendance and Meeting

a) The quorum of the Audit Committee shall be two (2) of whom the majority of members present shall be Independent Directors.
b) Apart from the members of the Audit Committee who will be present at the meetings, the Audit Committee may invite any member of the management, employees, other Directors and representatives of the external auditors to be present at meetings of the Audit Committee.
c) The Audit Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. In addition, the Chairman may call a meeting of the Audit Committee if a request is made by any Audit Committee member, the Company's Managing Director, or the internal or external auditors.

Minutes

Minutes of each Audit Committee meeting are to be prepared and sent to its members. The Secretary shall also circulate the minutes of meetings of the Audit Committee to all members of the Board of Directors.

Secretary

The Company Secretary or his assistant shall be the Secretary of the Audit Committee.

Summary of Activities

During the year under review, the Committee carried out its duties in accordance with its Terms of Reference. These include:

i) Reviewed the announcements of the quarterly financial results of the Group prior to the Board of Directors' approval and released the results to Bursa Securities.
ii) Reviewed audited financial statements and Annual Report for the financial year ended 30 April 2012.
iii) Reviewed external auditors' scope of work and audit plan.
iv) Reviewed the extent of application and compliance of Principles and Best Practices set out in the Malaysian Code of Corporate Governance.
v) Reviewed related party transactions of the Group.
vi) Reviewed the internal audit functions and the recommendations of the internal auditors' findings.
vii) Reviewed the quarterly risk management report.
viii) Meeting with the External Auditors.

During the financial year ended 30 April 2012, the Audit Committee met five (5) times and the details of the attendance are as follows:-

	Attendance
Swee Soo Mang	5/5
Darsan Singh a/l Balwant Singh	5/5
Gan Chee Tsong	5/5

STATEMENT ON INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance (“Code”) requires the Board of Directors of listed companies to maintain a sound system of internal control to safeguard shareholders’ investment and their assets. Under the provisions of the Bursa Malaysia Securities Berhadís Listing Requirements, paragraph 15.26(b) Directors of listed companies are required to produce a statement on the state of the Companies’ internal control in their Annual report. In this regards, the Board of Directors (“Board”) of Kein Hing International Berhad (“KHIB”) is pleased to set out below its statement on internal control for KHIB and its subsidiaries (“Group”).

BOARD’S RESPONSIBILITIES

The Board has overall responsibility for establishing and maintaining the Group’s system of internal control to safeguard shareholders’ investment and the Group’s assets. The system of internal control is designed to manage and minimise risk rather than eliminating it. Shareholders should be aware that there are inherent limitations in any system of internal control. Thus, internal controls can only provide reasonable, but not absolute, assurance against material loss or misstatement. The Board confirms that there is an on-going process of identifying, evaluating and managing significant risks faced by the Group.

INTERNAL AUDIT FUNCTION

The Group’s internal audit function was outsourced to an internal audit firm, which is independent of the day-to-day operations of the Group and provides support to the Audit Committee in discharging its duties with respect to the adequacy and integrity of the Group’s internal control systems.

The internal audit reviewed the Group’s system of internal controls in a systematic and cyclic basis and on selected functions and tabled the results of their review at the Audit Committee meetings on a quarterly basis. During the financial year, the internal audit covered store and delivery operations of both Zenne gas cooker division and a factory, computer software licenses audit, measuring equipment monitoring and follow-up review on areas covered in the previous financial year. The Audit Committee had reviewed the findings, recommendations, management response and action plans and presented its findings and recommendations to the Board of Directors.

KEY ELEMENTS OF INTERNAL CONTROLS

The key elements of the Group’s existing system of internal controls are described below:

- A management structure with clear defined lines of responsibility and appropriate levels of delegation.
- The Board continuously assesses key business risks with the assistance of Audit Committee.
- Policies and procedures, updated as necessary, are documented and communicated to relevant personnel for compliance purposes.
- Financial results are reviewed quarterly by the Audit Committee and the Board.
- Internal policies and control procedures are in place to regulate financial and operating activities.
- Directors and head of departments meet regularly to discuss operational, corporate, financial and key management issues.
- Other Board committees that have been established with clear terms of reference to ensure effective management and monitoring of the Group’s business operations include the Nomination Committee and Remuneration Committee.
- An annual budget is prepared to facilitate monitoring of the Group’s financial performance. The actual financial performance is reviewed on a monthly basis against the budget.
- The Audit Committee, on behalf of the Board, regularly reviews and holds discussions with management on the action taken on internal control issues identified in reports prepared by internal auditors and the external auditors.
- Close involvement in daily operations of the Group by the Managing Director and the Executive Directors.

The existing system of internal control has been in place for the year under review.

ASURANCE MECHANISM

The Board, with the assistance of the internal audit function, continuously reviews the adequacy and integrity of the Group's system of internal control and management information system, and compliance with laws, regulations, rules, directives and guidelines in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies. The Board and Management remain committed towards operating a sound system of internal control.

CONCLUSION

The Board is of the view that the system of internal control of the Group that has been put in place is adequate and effective. The Board will continue to further improve and enhance its system of internal control and the work processes.

Statement made in accordance with the resolution of the Board of Directors dated 28 August 2012.

STATEMENT ON DIRECTORS' RESPONSIBILITY

IN RELATION TO THE FINANCIAL STATEMENTS

As required by the Companies Act, 1965 ("the Act") and Listing Requirements of Bursa Securities, the financial statements have been prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Act.

In preparing the financial statements for the year ended 30 April 2012, the Directors have ascertained that:-

- Appropriate accounting policies have been consistently applied;
- Reasonable and prudent judgements and estimates; and
- All applicable accounting standard, are strictly adhered to.

The Directors are responsible for ensuring that the Group maintains accounting records that disclose with reasonable accuracy of the financial position of the Group and the Company, and which enable them to ensure that financial statements comply with the Act.

The Directors are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2012

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 30 April 2012.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year attributable to:		
Owners of the Company	6,098,890	4,119,841
Non-controlling interests	1,501,963	-
	7,600,853	4,119,841

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the year except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company paid a final tax exempt ordinary dividend of 2.0 sen per ordinary share, totalling RM1,980,000, in respect of the year ended 30 April 2011 on 17 November 2011.

The final ordinary dividend recommended by the Directors in respect of the year ended 30 April 2012 is 1.0 sen per ordinary share tax exempt totalling RM990,000.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Darsan Singh A/L Balwant Singh
Yap Toon Choy
Shingo Muramoto
Yong Elaine
Swee Soo Mang
Gan Chee Tsong
Liew Choon Fong (resigned on 27.8.2012)

DIRECTORS' INTERESTS

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.50 each			
Company	**At 1.5.2011**	**Bought**	**Sold**	**At 30.4.2012**
Direct interest				
Yap Toon Choy	36,574,520	1,002,000	-	37,576,520
Yong Elaine	20,870,070	-	-	20,870,070
Liew Choon Fong	363,250	-	-	363,250
Deemed interest *				
Shingo Muramoto	4,372,600	-	-	4,372,600

	Legal capital of USD1 each			
	At 1.5.2011	**Bought**	**Sold**	**At 30.4.2012**
Kein Hing Muramoto (Vietnam) Co., Ltd				
Deemed interest *				
Shingo Muramoto	1,078,000	-	-	1,078,000

* Deemed interest in shares held by virtue of Section 6A(4)(c) of the Companies Act, 1965.

By virtue of their interests in the shares of the Company, Yap Toon Choy, Yong Elaine, Liew Choon Fong and Shingo Muramoto are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Kein Hing International Berhad has an interest.

None of the other Directors holding office at 30 April 2012 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business and rental income receivable from companies in which the Directors have significant financial interests, as disclosed in Note 27 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take-up unissued shares of the Company during the year.

OTHER STATUTORY INFORMATION

Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts, or the amount of provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for the loss arising from disposal of investment in an associate and the effects arising from the change in accounting policies as disclosed in the financial statements, the financial performance of the Group and of the Company for the financial year ended 30 April 2012 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENTS

The significant events during the financial year are disclosed in Note 28 to the financial statements.

SUBSEQUENT EVENT

The subsequent event after the financial year is disclosed in Note 29 to the financial statements.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Yap Toon Choy

Yong Elaine

Selangor Darul Ehsan,

Date: 28 August 2012

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Assets					
Property, plant and equipment	3	**86,803,151**	83,507,460	**-**	347,298
Prepaid lease payments	4	**1,743,612**	1,804,275	**-**	-
Investment in subsidiaries	5	**-**	-	**54,972,937**	54,524,574
Investment in associates	6	**1,452,577**	4,573,754	**500,722**	500,722
Other investments	7	**675,351**	657,043	**-**	-
Amount due from a subsidiary	8	**-**	-	**1,261,513**	658,286
Total non-current assets		**90,674,691**	90,542,532	**56,735,172**	56,030,880
Trade and other receivables	8	**23,920,521**	28,993,800	**563,385**	3,097,847
Inventories	9	**14,222,633**	16,138,579	**-**	-
Current tax assets		**-**	1,000	**-**	-
Cash and cash equivalents	10	**14,403,057**	9,657,330	**1,141,014**	340,665
Assets classified as held for sale	11	**636,502**	636,502	**-**	-
Total current assets		**53,182,713**	55,427,211	**1,704,399**	3,438,512
Total assets		**143,857,404**	145,969,743	**58,439,571**	59,469,392
Equity					
Share capital	12	**49,500,000**	49,500,000	**49,500,000**	49,500,000
Reserves		**38,765,890**	34,719,795	**7,573,030**	5,433,189
Total equity attributable to owners of the Company		**88,265,890**	84,219,795	**57,073,030**	54,933,189
Non-controlling interests	12	**4,621,974**	3,065,831	**-**	-
Total equity		**92,887,864**	87,285,626	**57,073,030**	54,933,189
Liabilities					
Loans and borrowings	13	**9,133,706**	9,550,941	**-**	-
Trade and other payables	14	**1,212,041**	3,380,810	**-**	-
Deferred tax liabilities	15	**4,147,032**	3,986,051	**-**	-
Total non-current liabilities		**14,492,779**	16,917,802	**-**	-
Loans and borrowings	13	**14,005,456**	19,282,015	**-**	1,157,600
Trade and other payables	14	**22,180,345**	22,171,210	**1,366,541**	3,378,603
Current tax liabilities		**290,960**	313,090	**-**	-
Total current liabilities		**36,476,761**	41,766,315	**1,366,541**	4,536,203
Total liabilities		**50,969,540**	58,684,117	**1,366,541**	4,536,203
Total equity and liabilities		**143,857,404**	145,969,743	**58,439,571**	59,469,392

The notes on pages 34 to 86 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Revenue	16	**166,216,586**	164,433,812	**4,040,000**	4,040,000
Cost of sales		**(129,817,888)**	(129,824,744)	**-**	-
Gross profit		**36,398,698**	34,609,068	**4,040,000**	4,040,000
Other income		**980,765**	2,160,818	**229,736**	-
Distribution expenses		**(2,924,268)**	(2,923,049)	**-**	-
Administrative expenses		**(21,448,298)**	(19,043,000)	**(310,654)**	(146,353)
Other expenses		**(2,242,156)**	(1,968,727)	**-**	(175,274)
Results from operating activities		**10,764,741**	12,835,110	**3,959,082**	3,718,373
Investment income		**355,545**	179,459	**177,051**	235,660
Finance costs		**(1,510,010)**	(1,727,194)	**(6,659)**	(45,068)
Operating profit	17	**9,610,276**	11,287,375	**4,129,474**	3,908,965
Share of net results in associates		**522,646**	713,816	**-**	-
Profit before tax		**10,132,922**	12,001,191	**4,129,474**	3,908,965
Income tax expense	19	**(2,532,069)**	(2,263,397)	**(9,633)**	(3,000)
Profit for the year		**7,600,853**	9,737,794	**4,119,841**	3,905,965
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		**(135,625)**	(1,179,553)	**-**	-
Fair value of available-for-sale financial assets		**18,308**	(25,457)	**-**	-
Share of capital reserve by a non-controlling interest of a subsidiary		**121,062**	85,217	**-**	-
Total comprehensive income for the year		**7,604,598**	8,618,001	**4,119,841**	3,905,965
Profit attributable to:					
Owners of the Company		**6,098,890**	9,076,564	**4,119,841**	3,905,965
Non-controlling interests		**1,501,963**	661,230	**-**	-
Profit for the year		**7,600,853**	9,737,794	**4,119,841**	3,905,965
Total comprehensive income attributable to:					
Owners of the Company		**6,043,042**	8,371,680	**4,119,841**	3,905,965
Non-controlling interests		**1,561,556**	246,321	**-**	-
Total comprehensive income for the year		**7,604,598**	8,618,001	**4,119,841**	3,905,965
Basic earnings per ordinary share (sen):	20	**6.16**	9.17		
Dividends per ordinary share (sen):	21	**2.00**	2.00		

The notes on pages 34 to 86 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2012

Group	Note	Share capital RM	Share premium RM	Translation reserve RM	Fair value reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
		Attributable to owners of the Company							
		Non-distributable				*Distributable*			
At 1 May 2010		49,500,000	2,668,992	(1,108,053)	-	26,767,176	77,828,115	2,819,510	80,647,625
Foreign currency translation differences for foreign operations		-	-	(679,427)	-	-	(679,427)	(414,909)	(1,094,336)
Fair value of available-for-sales financial asset		-	-	-	(25,457)	-	(25,457)	-	(25,457)
Total other comprehensive income for the year		-	-	(679,427)	(25,457)	-	(704,884)	(414,909)	(1,119,793)
Profit for the year		-	-	-	-	9,076,564	9,076,564	661,230	9,737,794
Total comprehensive income for the year		-	-	(679,427)	(25,457)	9,076,564	8,371,680	246,321	8,618,001
Dividends to owners of the Company	21	-	-	-	-	(1,980,000)	(1,980,000)	-	(1,980,000)
At 30 April 2011 / 1 May 2011		49,500,000	2,668,992	(1,787,480)	(25,457)	33,863,740	84,219,795	3,065,831	87,285,626
Foreign currency translation differences for foreign operations		-	-	(74,156)	-	-	(74,156)	59,593	(14,563)
Fair value of available-for-sales financial asset		-	-	-	18,308	-	18,308	-	18,308
Total other comprehensive income for the year		-	-	(74,156)	18,308	-	(55,848)	59,593	3,745
Profit for the year		-	-	-	-	6,098,890	6,098,890	1,501,963	7,600,853
Total comprehensive income for the year		-	-	(74,156)	18,308	6,098,890	6,043,042	1,561,556	7,604,598
Acquisition of non-controlling interests		-	-	-	-	(16,947)	(16,947)	(14,413)	(31,360)
Issuance of a subsidiary's shares to non-controlling interests		-	-	-	-	-	-	9,000	9,000
Dividends to owners of the Company	21	-	-	-	-	(1,980,000)	(1,980,000)	-	(1,980,000)
At 30 April 2012		**49,500,000**	**2,668,992**	**(1,861,636)**	**(7,149)**	**37,965,683**	**88,265,890**	**4,621,974**	**92,887,864**
		Note 12.1	Note 12.2	Note 12.3	Note 12.4			Note 12.6	

STATEMENTS OF CHANGES IN EQUITY

Company	Note	← Non-distributable Share capital RM	→ Share premium RM	Distributable Retained earnings RM	Total RM
At 1 May 2010		49,500,000	2,668,992	838,232	53,007,224
Profit for the year and total comprehensive income for the year		-	-	3,905,965	3,905,965
Dividends to owners of the Company	21	-	-	(1,980,000)	(1,980,000)
At 30 April 2011/1 May 2011		49,500,000	2,668,992	2,764,197	54,933,189
Profit for the year and total comprehensive income for the year		-	-	4,119,841	4,119,841
Dividends to owners of the Company	21	-	-	(1,980,000)	(1,980,000)
At 30 April 2012		**49,500,000**	**2,668,992**	**4,904,038**	**57,073,030**
		Note 12.1	Note 12.2	Note 12.5	

The notes on pages 34 to 86 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2012

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash flows from operating activities				
Profit before tax	**10,132,922**	12,001,191	**4,129,474**	3,908,965
Adjustments for:				
Amortisation of prepaid lease payments				
- Land use rights	**50,607**	55,340	**-**	-
Depreciation of property, plant and equipment	**10,499,146**	11,049,942	**5,033**	5,033
Dividend income	**-**	-	**(4,040,000)**	(4,040,000)
Finance costs	**1,510,010**	1,727,194	**6,659**	45,068
Gain on disposal of land use rights	**-**	(1,392,799)	**-**	-
(Gain)/Loss on disposal of property, plant and equipment	**(145,311)**	50,550	**(187,735)**	-
Group's share of net results in associates	**(522,646)**	(713,816)	**-**	-
Investment income	**(355,545)**	(179,459)	**(177,051)**	(235,660)
Loss on disposal of investment in an associate	**1,732,024**	-	**-**	-
Other investments written off	**-**	13,500	**-**	-
Property, plant and equipment written off	**77,096**	74,890	**-**	-
Reversal of impairment loss on trade receivables	**-**	(3,985)	**-**	-
Unrealised foreign exchange loss	**6,155**	252,558	**-**	121,154
Operating profit/(loss) before working capital changes	**22,984,458**	22,935,106	**(263,620)**	(195,440)
Changes in working capital:				
Inventories	**1,915,944**	(2,221,218)	**-**	-
Trade and other receivables	**5,073,279**	743,833	**(211,201)**	-
Trade and other payables	**(5,377,338)**	(1,213,679)	**-**	2,000
Cash generated from/(used in) operations	**24,596,343**	20,244,042	**(474,821)**	(193,440)
Income tax paid	**(2,387,656)**	(3,206,820)	**(9,633)**	(3,000)
Net cash generated from/(used in) operating activities	**22,208,687**	17,037,222	**(484,454)**	(196,440)

STATEMENTS OF CASH FLOWS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash flows from investing activities				
Acquisition of additional shares in a subsidiary	**-**	-	**(291,000)**	-
Acquisition of non-controlling interests in a subsidiary	**(31,360)**	-	**(31,360)**	-
Dividend received	**96,000**	40,000	**4,040,000**	4,040,000
Proceeds from issuance of a subsidiary's shares to non-controlling interests	**9,000**	-	**-**	-
Proceeds from disposal of property, plant and equipment	**219,957**	281,446	**530,000**	-
Proceeds from disposal of land use rights	**-**	1,997,698	**-**	-
Proceeds from disposal of investment in an associate	**1,815,800**	-	**-**	-
Purchase of property, plant and equipment (ii)	**(8,817,305)**	(7,134,070)	**-**	-
Interest received	**298,350**	160,049	**119,856**	216,249
Increase in pledged deposits with licensed banks	**(3,253)**	(2,760)	**-**	-
Net cash (used in)/generated from investing activities	**(6,412,811)**	(4,657,637)	**4,367,496**	4,256,249
Cash flows from financing activities				
Repayment from subsidiaries	**-**	-	**61,566**	484,885
Advances from a non-controlling interest of a subsidiary	**980,000**	735,000	**-**	-
Proceeds from term loans	**3,811,306**	2,053,648	**-**	-
Repayment of advances to Directors	**(260,000)**	(261,134)	**-**	-
Repayment of finance lease liabilities	**(6,484,556)**	(5,904,045)	**-**	-
Repayment of term loans	**(3,346,656)**	(4,918,408)	**(1,157,600)**	(2,469,547)
(Repayment of)/Proceeds from other borrowings	**(135,849)**	679,174	**-**	-
Dividends paid	**(1,980,000)**	(1,980,000)	**(1,980,000)**	(1,980,000)
Interest paid	**(1,397,864)**	(1,688,977)	**(6,659)**	(45,068)
Net cash used in financing activities	**(8,813,619)**	(11,284,742)	**(3,082,693)**	(4,009,730)
Exchange differences on translation of the financial statements of foreign operations	**(107,700)**	1,055,376	**-**	-
Net increase in cash and cash equivalents	**6,874,557**	2,150,219	**800,349**	50,079
Cash and cash equivalents at beginning of year	**4,372,452**	2,222,233	**340,665**	290,586
Cash and cash equivalents at 30 April (i)	**11,247,009**	4,372,452	**1,141,014**	340,665

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statement of financial position amounts:

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Cash and bank balances	10	**7,986,957**	6,191,150	**1,141,014**	340,665
Deposits with licensed banks	10	**6,416,100**	3,466,180	**-**	-
Bank overdraft	13	**(3,030,045)**	(5,162,128)	**-**	-
		11,373,012	4,495,202	**1,141,014**	340,665
Less: Deposit pledged	10	**(126,003)**	(122,750)	**-**	-
		11,247,009	4,372,452	**1,141,014**	340,665

(ii) Acquisition of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM13,969,011 (2011: RM14,082,726) of which RM2,523,347 (2011: RM6,948,656) was acquired by means of finance lease plans, RM1,625,178 (2011: Nil) will be acquired by means of term loans and the balance amount of RM1,003,181 (2011: Nil) will be paid or financed under finance lease plans subsequent to the financial year end.

The notes on pages 34 to 86 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2012

Kein Hing International Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

Principal place of business and registered office
Lot 1863, Jalan Kolej
43300 Seri Kembangan
Selangor Darul Ehsan

The consolidated financial statements as at and for the year ended 30 April 2012 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in associates. The financial statements of the Company as at and for the year ended 30 April 2012 do not include other entities.

The Company is principally engaged in investment holding whilst the principal activities of the other Group entities are stated in Note 5 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 28 August 2012.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRSs), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group and the Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Transfers of Financial Assets*
- Amendments to FRS 112, Income Taxes – *Deferred Tax: Recovery of Underlying Assets*

FRSs, *Interpretations and amendments effective for annual periods beginning on or after 1 July 2012*

- Amendments to FRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

FRSs, *Interpretations and amendments effective for annual periods beginning on or after 1 January 2013*

- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*
- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits* (2011)
- FRS 127, *Separate Financial Statements* (2011)
- FRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Government Loans*

FRSs, *Interpretations and amendments effective for annual periods beginning on or after 1 January 2014*

- Amendments to FRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

FRSs, *Interpretations and amendments effective for annual periods beginning on or after 1 January 2015*

- FRS 9, *Financial Instruments* (2009)
- FRS 9, *Financial Instruments* (2010)
- Amendments to FRS 7, *Financial Instruments: Disclosures – Mandatory Date of FRS 9 and Transition Disclosures*

The Group's and Company's financial statements for annual period beginning on 1 May 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). As a result, the Group and the Company will not be adopting the above FRSs, Interpretations and amendments.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Accounting for business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group changed its accounting policy with respect to accounting for business combinations.

From 1 May 2011 the Group has applied FRS 3, *Business Combinations* (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

Acquisitions on or after 1 May 2011

For acquisitions on or after 1 May 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(ii) Accounting for business combinations (Cont'd)

Acquisitions between 1 May 2006 and 1 May 2011

For acquisitions between 1 May 2006 and 1 May 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

For acquisitions prior to 1 May 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

(iii) Accounting for acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution (or included in a disposal group that is classified as held for sale or distribution). The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of the investment includes transaction costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company.

Since the beginning of the reporting period, the Group has applied FRS 127, *Consolidated and Separate Financial Statements* (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In the previous years, where losses applicable to the non-controlling interests exceed their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group has been recovered.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a cash flow hedge of currency risk, which are recognised in other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency (Cont'd)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 May 2006 which are reported using the exchange rates at the dates of the acquisitions. The income and expenses of foreign operations, excluding operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR). When a foreign operation is disposed off, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR.

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Loans and receivables

Loans and receivables category comprises debt instruments, transferable club investments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

(b) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments and other investments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets are subject to review for impairment (see Note 2(j)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Fair value through profit or loss category comprises financial liabilities that are held for trading or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (Cont'd)

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (Cont'd)

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. The estimated useful lives for the current and comparative periods are as follows:

• Buildings	42.5 - 50 years
• Leasehold land	99 years
• Plant and machinery, electrical installations and factory equipment	4 - 14 years
• Office equipment, furniture and fittings and renovation	5 - 20 years
• Motor vehicles	5 - 10 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

(e) Intangible assets

Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

(f) Leased assets

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Leased assets (Cont'd)

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, the leased assets are not recognised on the Group's statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals, if any, are charged to profit or loss in the reporting period in which they are incurred. Leasehold land which in substance in an operating lease is classified as prepaid lease payments.

The initial cost of a land use right comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use right.

The land use rights is amortised on a straight-line basis over the lease term, 43 years.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks which have an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Non-current assets held for sale

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(j) Impairment

(i) Financial assets

All financial assets (except for investments in subsidiaries and associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in the profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment (Cont'd)

(ii) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets (known as cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit or the group of cash-generating units and then to reduce the carrying amount of the other assets in the cash-generating unit (or a group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(k) Equity instruments

Instruments classified as equity are stated at cost on initial recognition and are not re-measured subsequently.

Share issue expenses

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(n) Revenue and other income

(i) Goods sold

Revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Rental income

Rental income is recognised in profit or loss as it accrues.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date the Group's or the Company's right to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Revenue and other income (Cont'd)

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(o) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(p) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Income tax (Cont'd)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(q) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares (EPS).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Freehold buildings RM	Leasehold land RM	Leasehold buildings RM	Plant and machinery, electrical installations and factory equipment RM	Office equipment, furniture and fittings and renovation RM	Motor vehicles RM	Under construction RM	Total RM
Cost									
At 1 May 2010, restated	8,884,675	15,652,218	2,031,007	7,670,553	81,929,043	10,630,455	3,270,911	-	130,068,862
Additions	-	-	-	253,523	9,178,183	1,818,014	1,306,761	1,526,245	14,082,726
Disposals	-	-	-	-	(818,733)	(279,071)	(430,712)	-	(1,528,516)
Write off	-	-	-	-	(427,425)	(184,261)	(52,000)	-	(663,686)
Effect of movements in exchange rates	-	-	-	(719,680)	(2,170,765)	(73,152)	(99,434)	-	(3,063,031)
At 30 April 2011/ 1 May 2011	8,884,675	15,652,218	2,031,007	7,204,396	87,690,303	11,911,985	3,995,526	1,526,245	138,896,355
Additions	1,890,070	-	-	374,424	6,397,840	2,812,228	953,034	1,541,415	13,969,011
Disposals	-	-	-	-	(48,172)	(393,614)	(506,395)	-	(948,181)
Write off	-	-	-	-	(191,804)	(117,619)	-	-	(309,423)
Effect of movements in exchange rates	-	-	-	(25,154)	(71,680)	(3,179)	(1,878)	-	(101,891)
At 30 April 2012	**10,774,745**	**15,652,218**	**2,031,007**	**7,553,666**	**93,776,487**	**14,209,801**	**4,440,287**	**3,067,660**	**151,505,871**

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land RM	Freehold buildings RM	Leasehold land RM	Leasehold buildings RM	Plant and machinery, electrical installations and factory equipment RM	Office equipment, furniture and fittings and renovation RM	Motor vehicles RM	Under construction RM	Total RM
Depreciation and impairment loss									
At 1 May 2010, restated									
Accumulated depreciation	-	1,947,390	130,179	915,063	39,340,263	4,337,755	309,452	-	46,980,102
Accumulated impairment loss	-	-	-	-	250,000	-	-	-	250,000
	-	1,947,390	130,179	915,063	39,590,263	4,337,755	309,452	-	47,230,102
Depreciation for the year	-	340,806	24,443	185,091	9,062,607	837,386	599,609	-	11,049,942
Disposals	-	-	-	-	(468,506)	(268,160)	(347,862)	-	(1,084,528)
Write off	-	-	-	-	(354,771)	(182,026)	(51,999)	-	(588,796)
Effect of movements in exchange rates	-	-	-	(84,257)	(975,098)	(64,765)	(93,705)	-	(1,217,825)
Accumulated depreciation	-	2,288,196	154,622	1,015,897	46,604,495	4,660,190	415,495	-	55,138,895
Accumulated impairment loss	-	-	-	-	250,000	-	-	-	250,000
At 30 April 2011	-	2,288,196	154,622	1,015,897	46,854,495	4,660,190	415,495	-	55,388,895

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land RM	Freehold buildings RM	Leasehold land RM	Leasehold buildings RM	Plant and machinery, electrical installations and factory equipment RM	Office equipment, furniture and fittings and renovation RM	Motor vehicles RM	Under construction RM	Total RM
Depreciation and impairment loss (Cont'd)									
At 1 May 2011									
Accumulated depreciation	-	2,288,196	154,622	1,015,897	46,604,495	4,660,190	415,495	-	55,138,895
Accumulated impairment loss	-	-	-	-	250,000	-	-	-	250,000
	-	2,288,196	154,622	1,015,897	46,854,495	4,660,190	415,495	-	55,388,895
Depreciation for the year	-	340,806	24,442	212,594	8,158,621	1,110,577	652,106	-	10,499,146
Disposals	-	-	-	-	(48,166)	(391,066)	(434,303)	-	(873,535)
Write off	-	-	-	-	(121,636)	(110,691)	-	-	(232,327)
Effect of movements in exchange rates	-	-	-	(6,201)	(66,851)	(3,876)	(2,531)	-	(79,459)
Accumulated depreciation	-	2,629,002	179,064	1,222,290	54,526,463	5,265,134	630,767	-	64,452,720
Accumulated impairment loss	-	-	-	-	250,000	-	-	-	250,000
At 30 April 2012	**-**	**2,629,002**	**179,064**	**1,222,290**	**54,776,463**	**5,265,134**	**630,767**	**-**	**64,702,720**
Carrying amounts									
At 1 May 2010, restated	8,884,675	13,704,828	1,900,828	6,755,490	42,338,780	6,292,700	2,961,459	-	82,838,760
At 30 April 2011/ 1 May 2011	8,884,675	13,364,022	1,876,385	6,188,499	40,835,808	7,251,795	3,580,031	1,526,245	83,507,460
At 30 April 2012	**10,774,745**	**13,023,216**	**1,851,943**	**6,331,376**	**39,000,024**	**8,944,667**	**3,809,520**	**3,067,660**	**86,803,151**

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Freehold land RM	Freehold building RM	Total RM
Cost			
At 1 May 2010/30 April 2011/1 May 2011	125,832	251,664	377,496
Disposals	(125,832)	(251,664)	(377,496)
At 30 April 2012	**-**	**-**	**-**
Accumulated depreciation			
At 1 May 2010	-	25,165	25,165
Depreciation for the year	-	5,033	5,033
At 30 April 2011/1 May 2011	-	30,198	30,198
Depreciation for the year	-	5,033	5,033
Disposals	-	(35,231)	(35,231)
At 30 April 2012	**-**	**-**	**-**
Carrying amounts			
At 1 May 2010	125,832	226,499	352,331
At 30 April 2011/1 May 2011	125,832	221,466	347,298
At 30 April 2012	**-**	**-**	**-**

3.1 Property, plant and equipment on finance lease arrangements

Carrying amounts of property, plant and equipments under finance lease arrangements are as follows:

	Group	
	2012 RM	**2011 RM**
Plant and machinery, electrical installations and factory equipment	**11,066,101**	16,349,218
Motor vehicles	**2,318,201**	2,795,967
	13,384,302	19,145,185

3.2 Security

Certain property, plant and equipment of the Group amounting to RM32,364,252 (2011: RM29,336,971) are charged to banks as security for loans and borrowings (Note 13).

3.3 Capitalisation of qualifying assets

Borrowing costs for qualifying asset which is under construction amounting to RM117,299 (2011: RM569) are being capitalised.

3.4 Freehold land

On 21 June 2011, a subsidiary of the Group, Kein Hing Industry Sdn. Bhd. ("KHI") acquired a freehold land for a cash consideration of RM1,805,753. As at 30 April 2012, KHI has yet to complete the transfer of the land title.

4. PREPAID LEASE PAYMENTS

	Group Land use rights RM
Cost	
At 1 May 2010	2,611,596
Effect of movements in exchange rates	(410,521)
At 30 April 2011/1 May 2011, restated	2,201,075
Effect of movements in exchange rates	(13,445)
At 30 April 2012	**2,187,630**
Amortisation	
At 1 May 2010	404,300
Charge for the year	55,340
Effect of movements in exchange rates	(62,840)
At 30 April 2011/1 May 2011, restated	396,800
Charge for the year	50,607
Effect of movements in exchange rates	(3,389)
At 30 April 2012	**444,018**
Carrying amount	
At 1 May 2010	2,207,296
At 30 April 2011/1 May 2011, restated	1,804,275
At 30 April 2012	**1,743,612**

5. INVESTMENT IN SUBSIDIARIES

	Company	
	2012 RM	**2011 RM**
At cost:		
Unquoted shares	**54,777,419**	54,688,890
Acquisition of non-controlling interests in a subsidiary	**31,360**	-
Acquisition of additional shares in a subsidiary	**291,000**	-
Less: Impairment loss	**(252,845)**	(252,845)
	54,846,934	54,436,045
Advances to a subsidiary treated as quasi-investment	**126,003**	88,529
	54,972,937	54,524,574

On 5 January 2012, the Company acquired 98,000 ordinary shares from certain non-controlling interests of Kein Hing Appliances Sdn. Bhd. ("KHA") for a total cash consideration of RM31,360. The Company also subscribed to additional 291,000 ordinary shares in KHA for a cash consideration of RM291,000, resulting in an increase in effective ownership interest in KHA from 83% to 97%.

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2012 %	Effective ownership interest 2011 %
Kein Hing Industry Sdn. Bhd. ("KHI")	Malaysia	Sheet metal forming, precision machining, component assembly and manufacture and sale of gas appliances	**100**	100
Kein Hing Appliances Sdn. Bhd. ("KHA")	Malaysia	Trading in electrical and electronics products and home appliances	**97**	83
Kein Hing Muramoto (Vietnam) Co., Ltd ("KHMV") *	Vietnam	Sheet metal forming, precision machining and assembly of components for electronic, automotive and other industries	**51**	51
Kein Hing Polychrome (Vietnam) Co., Ltd ("KHPV") **	Vietnam	Dormant	**85**	85
Zenne Appliances Sdn. Bhd. ("ZA") **	Malaysia	Trading and distribution of gas appliances	**100**	100
Sanko Kein Hing Sdn. Bhd. ("SKH") **	Malaysia	Precision machining of electronics and electrical industries' components	**51**	51

* *Audited by other member firms of KPMG International*
** *Audited by other firms of auditors*

6. INVESTMENT IN ASSOCIATES

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
At cost:				
Unquoted shares	**500,722**	769,802	**500,722**	500,722
Share of post-acquisition reserves	**951,855**	3,803,952	**-**	-
	1,452,577	4,573,754	**500,722**	500,722

6. INVESTMENT IN ASSOCIATES (CONT'D)

Details of the significant associates and their activities are as follows:

Name of associate	Country of incorporation	Principal activities	Effective ownership interest 2012 %	Effective ownership interest 2011 %
S&Y Metal Stamping Sdn. Bhd. #*	Malaysia	Precision metal stamping	**-**	28
Polychrome Sdn. Bhd. ##	Malaysia	Electroplating, iron founders, tinplate makers and smelters	**25**	25

\# *Held through KHI*
\## *Held by the Company*

* On 10 January 2012, Kein Hing Industry Sdn. Bhd., a wholly-owned subsidiary of the Company, disposed of its entire equity interest of 140,000 ordinary shares representing 28% equity interest in S&Y Metal Stamping Sdn. Bhd. ("S&Y") to the existing individual substantial shareholders and Directors of S&Y for a total cash consideration of RM1,815,800. The effect of the disposal on the Group's assets as at 30 April 2012 is disclosed in Note 28.

Summary of financial information on associates:

Group	Revenue (100%) RM	Net profit (100%) RM	Total assets (100%) RM	Total liabilities (100%) RM
2012				
S&Y Metal Stamping Sdn. Bhd.	**-**	**-**	**-**	**-**
Polychrome Sdn. Bhd.	**5,961,374**	**986,971**	**6,614,951**	**(804,643)**
	5,961,374	**986,971**	**6,614,951**	**(804,643)**
2011				
S&Y Metal Stamping Sdn. Bhd.	21,004,968	1,703,240	22,453,139	(10,567,711)
Polychrome Sdn. Bhd.	4,356,531	947,636	6,024,414	(1,041,076)
	25,361,499	2,650,876	28,477,553	(11,608,787)

7. OTHER INVESTMENTS

Group	Transferable club memberships RM	Other investment RM	Total RM
2012			
Available-for-sale financial assets, at fair value	**-**	**492,851**	**492,851**
Others, at cost	**208,080**	**-**	**208,080**
Less: Impairment loss	**(25,580)**	**-**	**(25,580)**
	182,500	**492,851**	**675,351**
2011			
Available-for-sale financial assets, at fair value	-	474,543	474,543
Others, at cost	208,080	-	208,080
Less: Impairment loss	(25,580)	-	(25,580)
	182,500	474,543	657,043

8. TRADE AND OTHER RECEIVABLES

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Non-current					
Non-trade					
Amount due from a subsidiary	8.1	**-**	-	**1,261,513**	658,286
Current					
Trade					
Trade receivables		**20,216,875**	20,875,745	**-**	-
Less: Impairment loss		**(104,214)**	(104,214)	**-**	-
		20,112,661	20,771,531	**-**	-
Amount due from an associate	8.2	**-**	29,848	**-**	-
Amount due from related parties	8.2	**737,232**	5,009,494	**-**	-
Total trade		**20,849,893**	25,810,873	**-**	-

8. TRADE AND OTHER RECEIVABLES (CONT'D)

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Current (Cont'd)					
Non-trade					
Amount due from subsidiaries	8.1	**-**	-	**350,885**	3,096,547
Amount due from related parties	8.3	**29,250**	58,500	**-**	-
Prepaid finance lease payments		**799,044**	1,053,238	**-**	-
Other prepayments		**425,410**	274,721	**211,200**	-
Refundable deposits		**579,948**	560,806	**-**	-
Staff loan		**171,846**	163,772	**-**	-
Other receivables		**1,065,130**	1,071,890	**1,300**	1,300
Total non-trade		**3,070,628**	3,182,927	**563,385**	3,097,847
Total current		**23,920,521**	28,993,800	**563,385**	3,097,847

8.1 Amount due from a subsidiary

The non-trade receivable due from a subsidiary arises from unsecured advances granted to a subsidiary in accordance with four (4) (2011: 2) separate loan agreements which earn interest at fixed rate of 3% per annum and are repayable by way of 10 quarterly instalments with the first instalment payment due and payable on 1 January 2012, 1 July 2012, 1 January 2013 and 1 January 2014 respectively and the subsequent instalments payable at successive intervals of 3 months.

8.2 Amounts due from an associate and related parties

The trade receivables from an associate and related parties are unsecured, interest free and subject to the normal trade terms.

8.3 Amount due from related parties

The non-trade receivable due from related parties represents rental receivable as disclosed in Note 27 to the financial statements.

9. INVENTORIES

	Group 2012 RM	Group 2011 RM
At cost:		
Raw materials	**6,205,302**	7,692,299
Work-in-progress	**3,584,092**	4,218,793
Manufactured inventories	**3,962,384**	3,752,045
Trading inventories	**470,855**	475,442
	14,222,633	16,138,579
Recognised in profit or loss:		
Inventories recognised as cost of sales	**129,277,381**	129,327,107
Write-down to net realisable value	**57,480**	-
Reversal of write-downs	**52,027**	379,547

The write-down and reversal are included in cost of sales.

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Deposits placed with licensed banks	**6,416,100**	3,466,180	**-**	-
Cash and bank balances	**7,986,957**	6,191,150	**1,141,014**	340,665
	14,403,057	9,657,330	**1,141,014**	340,665

Included in deposits placed with licensed banks of the Group is RM126,003 (2011: RM122,750) pledged for a bank facility granted to a subsidiary (Note 13).

11. ASSETS CLASSIFIED AS HELD FOR SALE

Part of the leasehold building of the Group is presented as asset classified as held for sale for the commitment of the Group's management to a plan to sell the leasehold building.

A subsidiary of the Company, Kein Hing Appliances Sdn. Bhd. had on 3 May 2011 entered into a Sale and Purchase Agreement with a third party to dispose of a leasehold building for a cash consideration of RM670,000. The completion of the sale is subject to completion of the transfer of the land title.

12. SHARE CAPITAL AND RESERVES

12.1 Share capital

	Group and Company			
	Amount 2012 RM	**Number of shares 2012**	**Amount 2011 RM**	**Number of shares 2011**
Authorised:				
Ordinary shares of RM0.50 each	**50,000,000**	**100,000,000**	50,000,000	100,000,000
Issued and fully paid:				
Ordinary shares of RM0.50 each	**49,500,000**	**99,000,000**	49,500,000	99,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

12.2 Share premium

This reserve comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

12.3 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

12.4 Fair value reserve

This comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

12.5 Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has Section 108 tax credit and tax exempt income to frank all of its distributable reserves at 30 April 2012 if paid out as dividends.

The Finance Act 2007 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the remaining Section 108 tax credit will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

12.6 Non-controlling interests

This consists of the non-controlling interest's proportion of share capital and reserves of the subsidiaries.

It also includes the non-controlling interest in Class B ordinary shares of a subsidiary. The Class B ordinary shares rank pari passu in all respects to the ordinary shares of the subsidiary except that the holder of Class B ordinary share does not have voting rights in meetings.

The movements in each category of reserves are disclosed in the statement of changes in equity.

13. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's and the Company's interest bearing loans and borrowings. For more information about the Group's and the Company's exposure to interest rate and foreign currency risk, refer to Note 23.

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Non-current				
Secured term loans	**6,443,783**	4,356,378	**-**	-
Finance lease liabilities	**2,689,923**	5,194,563	**-**	-
	9,133,706	9,550,941	**-**	-
Current				
Unsecured bankers' acceptance	**1,954,000**	2,314,000	**-**	-
Secured bills payable	**2,907,097**	2,686,176	**-**	-
Secured bank overdrafts	**3,030,045**	5,162,128	**-**	-
Secured term loans	**1,569,905**	3,181,641	**-**	1,157,600
Finance lease liabilities	**4,544,409**	5,938,070	**-**	-
	14,005,456	19,282,015	**-**	1,157,600
	23,139,162	28,832,956	**-**	1,157,600

The loans and borrowings are denominated in Ringgit Malaysia except for certain secured term loans and secured bills payable amounting to RM5,499,855 (2011: RM4,885,684) and RM518,786 (2011: RM164,079) which are denominated in US Dollar and Vietnam Dong respectively.

13.1 Security

The secured bills payable are secured by the following:
(i) standby letter of credit from a bank at the request of a subsidiary; and
(ii) a specific debenture covering the fixed charge over certain property, plant and equipment of the Group (Note 3).

The bank overdrafts are secured by the following:
(i) fixed charge over certain landed properties of the Group (Note 3);
(ii) fixed charge over certain landed properties of a company in which certain Directors of the Company have substantial financial interests; and
(iii) corporate guarantee by the Company.

The term loans are secured by the following:
(i) fixed charge over certain landed properties of the Group (Note 3);
(ii) certain fixed deposits pledged by a subsidiary (Note 10);
(iii) specific debenture covering the fixed charge over certain property, plant and equipment of the Group (Note 3); and
(iv) corporate guarantee by the Company.

13. LOANS AND BORROWINGS (CONT'D)

13.2 Significant covenants

The main covenants of the term loan facilities of the Group and of the Company are as follows:

(i) the Group shall notify the bank of the occurrence of any event of default or any other occurrence which might adversely affect the Group's ability to fully perform the obligation;

(ii) the Group shall submit its financial statements and/or audited financial statements within 6 months of the financial year end; and

(iii) the Group shall not without prior written consent of the bank allow any change in majority shareholders or the majority shareholder's shareholdings.

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments 2012 RM	Interest 2012 RM	Present value of minimum lease payments 2012 RM	Future minimum lease payments 2011 RM	Interest 2011 RM	Present value of minimum lease payments 2011 RM
Less than one year	**4,842,070**	**297,661**	**4,544,409**	6,462,662	524,592	5,938,070
Between one and two years	**2,028,328**	**91,002**	**1,937,326**	4,081,327	182,987	3,898,340
Between two and five years	**787,066**	**34,469**	**752,597**	1,326,383	30,160	1,296,223
	7,657,464	**423,132**	**7,234,332**	11,870,372	737,739	11,132,633

14. TRADE AND OTHER PAYABLES

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Non-current					
Non-trade					
Amount due to Directors	14.1	**-**	2,748,339	**-**	-
Amount due to a non-controlling interest of a subsidiary	14.2	**1,212,041**	632,471	**-**	-
Total non-current liabilities		**1,212,041**	3,380,810	**-**	-
Current					
Trade					
Trade payables		**10,947,012**	13,335,229	**-**	-
Amount due to associates	14.3	**-**	431,801	**-**	-
		10,947,012	13,767,030	**-**	-

14. TRADE AND OTHER PAYABLES (CONT'D)

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Non-trade					
Amount due to Directors	14.1	**2,488,339**	-	**-**	-
Other payables		**2,170,357**	1,962,986	**-**	-
Accruals	14.4	**6,245,643**	6,402,073	**134,002**	134,002
Amount due to a non-controlling interest of a subsidiary	14.2	**328,994**	39,121	**-**	-
Amount due to a subsidiary	14.5	**-**	-	**1,232,539**	3,244,601
		11,233,333	8,404,180	**1,366,541**	3,378,603
Total current liabilities		**22,180,345**	22,171,210	**1,366,541**	3,378,603
Total		**23,392,386**	25,552,020	**1,366,541**	3,378,603

14.1 Amount due to Directors

Non-trade payable due to Directors is in respect of advances, which are unsecured, interest-free and restructured in term of repayment on 1 May 2010 to repay in 3 years time.

14.2 Amount due to a non-controlling interest of a subsidiary

The non-trade amount due to a non-controlling of a subsidiary arises from unsecured advances which bears interest at the rate of 3% per annum and is repayable by way of 10 quarterly instalments with the first instalment payment due and payable on 1 January 2012, 1 July 2012, 1 January 2013 and 1 January 2014 respectively and the subsequent instalments payable at successive intervals of 3 months.

14.3 Amount due to associates

The trade payable due to associates was unsecured, interest-free and subject to the normal trade terms.

14.4 Accruals

Accruals included provision for severance allowance via KHMV amounting to RM129,563 (2011: RM90,655). Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more ("eligible employee") voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee a severance allowance calculated based on years of service and the employee's compensation at termination. Provision for severance allowance has been provided based on employees' years of service and their current salary level.

Pursuant to the Law on Social Insurance, effective from 1 January 2009 the Company and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees' basic salary and 20 times the general minimum salary level as specified by the Government from time to time. With the implementation of the unemployment insurance scheme, the Company is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to the existing eligible employees as of 31 December 2008 will be determined based on the eligible employees' years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

14.5 Amount due to a subsidiary

The non-trade payable due to a subsidiary is unsecured, interest free and is repayable on demand.

15. DEFERRED TAX LIABILITIES

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Group	
	2012 RM	**2011 RM**
Property, plant and equipment	**4,236,441**	4,194,471
Property revaluation reserve	**210,000**	212,000
Provisions	**(299,409)**	(420,420)
Net tax liabilities	**4,147,032**	3,986,051

Movement in temporary differences during the financial year

	At 1.5.2010 RM	Recognised in profit or loss (Note 19) RM	At 30.4.2011 RM	Recognised in profit or loss (Note 19) RM	At 30.4.2012 RM
Property, plant and equipment	4,324,777	(130,306)	4,194,471	41,970	**4,236,441**
Property revaluation reserve	214,000	(2,000)	212,000	(2,000)	**210,000**
Provisions	(415,443)	(4,977)	(420,420)	121,011	**(299,409)**
	4,123,334	(137,283)	3,986,051	160,981	**4,147,032**

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2012 RM	**2011 RM**
Deductible temporary differences	**-**	29,422
Unabsorbed capital allowances	**1,115,836**	234,462
Tax loss carry-forward	**659,715**	662,386
	1,775,551	926,270

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items in the statement of financial position as the Group is uncertain of the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

16. REVENUE

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Sales of goods				
- manufactured products	**146,262,637**	143,583,760	**-**	-
- moulds	**4,166,627**	6,236,414	**-**	-
- trading products	**6,358,950**	6,163,800	**-**	-
Sales of scraps	**9,428,372**	8,449,838	**-**	-
Dividends	**-**	-	**4,040,000**	4,040,000
	166,216,586	164,433,812	**4,040,000**	4,040,000

17. OPERATING PROFIT

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Operating profit is arrived at after charging:					
Amortisation of prepaid lease payments	4	**50,607**	55,340	**-**	-
Auditors' remuneration					
- Statutory audit					
KPMG		**95,000**	91,000	**26,000**	24,000
Affiliates of KPMG		**48,300**	43,500	**-**	-
Other auditors		**13,300**	11,500	**-**	-
- Other services					
KPMG		**15,000**	15,000	**15,000**	10,000
Depreciation on property, plant and equipment	3	**10,499,146**	11,049,942	**5,033**	5,033
Property, plant and equipment written off	3	**77,096**	74,890	**-**	-
Loss on disposal of property, plant and equipment		**-**	50,550	**-**	-
Loss on disposal of investment in an associate		**1,732,024**	-	**-**	-
Finance costs on:					
- Bank overdrafts		**226,849**	257,240	**-**	-
- Finance lease		**618,570**	779,520	**-**	-
- Term loans		**550,437**	557,675	**6,659**	45,068
- Bills payable		**40,945**	36,903	**-**	-
- Bankers' acceptance		**73,209**	95,856	**-**	-

17. OPERATING PROFIT (CONT'D)

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Operating profit is arrived at after charging (Cont'd):					
Unrealised foreign exchange loss		**6,155**	252,558	**-**	121,154
Realised foreign exchange loss		**24,949**	503,313	**-**	54,120
Other investments written off		**-**	13,500	**-**	-
Personnel expenses (including key management personnel):					
- Contributions to Employees' Provident Funds		**2,024,302**	1,790,269	**-**	-
- Wages, salaries and others		**31,825,461**	28,157,398	**119,200**	-
Rental of premises		**1,680,263**	1,234,077	**-**	-
Write down of inventories		**57,480**	-	**-**	-
and after crediting:					
Rental income		**351,000**	411,000	**-**	-
Gain on disposal of property, plant and equipment		**145,311**	-	**187,735**	-
Gain on disposal of land use rights		**-**	1,392,799	**-**	-
Dividend income from:					
- Other investments		**-**	-	**-**	-
- An associate		**-**	-	**40,000**	40,000
- Subsidiaries		**-**	-	**4,000,000**	4,000,000
Realised foreign exchange gain		**106,032**	34,928	**42,000**	-
Reversal of impairment loss on trade receivables	23	**-**	3,985	**-**	-
Reversal of write down of inventories		**52,027**	379,547	**-**	-
Investment income from:					
- Deposits with licensed banks		**334,610**	136,280	**499**	-
- Staff loan		**3,006**	4,014	**-**	-
- Foreign currency current account		**2,445**	21,314	**-**	945
- Other investments		**15,484**	17,851	**-**	-
- Amount due from subsidiaries		**-**	-	**176,552**	234,715

18. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Directors				
Short-term employee benefits				
- Fees	**100,000**	100,000	**100,000**	100,000
- Remuneration	**1,134,700**	1,395,755	**19,200**	19,200
- Contributions to Employees' Provident Fund	**132,660**	205,216	**-**	-
- Others (including estimated monetary value of benefits-in-kind)	**103,021**	103,701	**-**	-
Total	**1,470,381**	1,804,672	**119,200**	119,200

Key management personnel are defined as those having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel comprise primarily all the Directors of the Group.

19. INCOME TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Total income tax expense	**2,532,069**	2,263,397	**9,633**	3,000

Major components of income tax expense include:

Current tax expense				
- Malaysian income tax	**1,975,140**	2,048,840	**9,000**	3,000
- Foreign income tax	**191,714**	348,200	**-**	-
- Under provision in prior year	**204,234**	3,640	**633**	-
	2,371,088	2,400,680	**9,633**	3,000
Deferred tax expense				
Reversal of temporary differences				
- Current	**81,094**	(150,101)	**-**	-
- Underprovision in prior year	**79,887**	12,818	**-**	-
	160,981	(137,283)	**-**	-
Total income tax expense	**2,532,069**	2,263,397	**9,633**	3,000

19. INCOME TAX EXPENSE (CONT'D)

Recognised in profit or loss (Cont'd)

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Reconciliation of tax expense				
Profit before tax	**10,132,922**	12,001,191	**4,129,474**	3,908,965
Income tax using Malaysian tax rate of 25%	**2,533,231**	3,000,298	**1,032,369**	977,241
Effect of difference in tax rates of foreign jurisdictions	**(373,683)**	(149,555)	**-**	-
Tax incentive	**(1,023,933)**	(978,849)	**-**	-
Non-deductible expenses	**1,030,675**	515,014	**(13,369)**	35,759
Changes in unrecognised temporary differences	**212,320**	38,485	**-**	-
Tax expense on share of results in associates	**(130,662)**	(178,454)	**-**	-
Tax exempt income	**-**	-	**(1,010,000)**	(1,010,000)
	2,247,948	2,246,939	**9,000**	3,000
Under provided in prior year				
- income tax expense	**204,234**	3,640	**633**	-
- deferred tax expense	**79,887**	12,818	**-**	-
	2,532,069	2,263,397	**9,633**	3,000

20. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 30 April 2012 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2012 RM	2011 RM
Profit for the year attributable to owners of the Company	**6,098,890**	9,076,564
Weighted average number of ordinary shares at 30 April	**99,000,000**	99,000,000

Diluted earnings per ordinary share

There is no dilution in earnings per ordinary share as there is no potential diluted ordinary share.

21. DIVIDENDS

Dividends recognised in the current year by the Company are:

	Sen per share	Total amount RM	Date of payment
2012			
Final 2011 ordinary, tax exempted	2.0	1,980,000	17 November 2011
2011			
Final 2010 ordinary, tax exempted	2.0	1,980,000	19 November 2010

After the end of the reporting period, the following dividend was proposed by the Board of Directors. This dividend will be recognised in subsequent financial reports upon approval by the shareholders at a general meeting.

	Group	
	Sen per share	Total amount RM
Final 2012 ordinary, tax exempted	1.0	990,000

22. OPERATING SEGMENTS

The Group has three (3) reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Board of Directors (the decision makers) review internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Manufacturing	*Sheet metal forming, precision machining, component assembly and manufacture and sale of gas appliances*
Trading	*Trading in electrical and electronic products and home appliances*
Investment holding	*Investment holding*

Inter-segment pricing is determined based on negotiated terms. The accounting policies of the reportable segments are the same as described in Note 2(r).

Performance is measured based on segment profit before tax, finance costs and interest income, as included in the internal management reports that are reviewed by the Group's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses, corporate assets and expenses and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

22. OPERATING SEGMENTS (CONT'D)

	Manufacturing		Trading		Investment holding		Total	
	2012 RM	2011 RM	2012 RM	2011 RM	2012 RM	2011 RM	2012 RM	2011 RM
Segment profit/(loss)	**13,395,573**	13,831,282	**(122,140)**	(31,361)	**(228,653)**	(281,627)	**13,044,780**	13,518,294
Included in the measure of segment profit/(loss) are:								
Revenue from external customers	**159,857,636**	158,270,012	**6,358,950**	6,163,800	**-**	-	**166,216,586**	164,433,812
Inter-segment revenue	**3,850,827**	4,128,049	**508,982**	385,727	**-**	-	**4,359,809**	4,513,776
Finance costs	**(1,641,138)**	(1,880,902)	**(38,765)**	(35,940)	**(6,659)**	(45,068)	**(1,686,562)**	(1,961,910)
Interest income	**355,046**	178,515	**-**	-	**177,051**	235,660	**532,097**	414,175
Share of net results in associates	**522,646**	713,816	**-**	-	**-**	-	**522,646**	713,816
Segment assets	**143,795,713**	146,197,165	**2,591,635**	2,492,905	**1,353,514**	689,262	**147,740,862**	149,379,332
Included in the measure of segment assets are:								
Investment in associates	**1,452,577**	4,573,754	**-**	-	**-**	-	**1,452,577**	4,573,754
Segment liabilities	**50,391,601**	58,088,368	**917,845**	962,634	**134,002**	134,002	**51,443,448**	59,185,004
Included in the measure of segment liabilities are:								
Capital expenditure	**13,727,915**	13,913,860	**241,096**	168,866	**-**	-	**13,969,011**	14,082,726
Depreciation	**10,347,663**	10,916,206	**146,450**	128,703	**5,033**	5,033	**10,499,146**	11,049,942
Amortisation of prepaid lease payments	**50,607**	55,340	**-**	-	**-**	-	**50,607**	55,340

22. OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenues, profit before tax, assets and liabilities

Reconciliation of Consolidated Revenues

	Group	
	2012 RM	**2011 RM**
Total revenue for reportable segments	**170,576,395**	168,947,588
Elimination of inter-segment revenue	**(4,359,809)**	(4,513,776)
Consolidated revenue	**166,216,586**	164,433,812

Reconciliation of Consolidated Profit before tax

Total profit for reportable segments	**13,044,780**	13,518,294
Invesment income	**355,545**	179,459
Loss on disposal of investment in an associate	**(1,732,024)**	-
Finance costs	**(1,510,010)**	(1,727,194)
Consolidation adjustments	**(25,369)**	30,632
Consolidated profit before tax	**10,132,922**	12,001,191

Reconciliation of Consolidated Total Assets

Total assets for reportable segments	**147,740,862**	149,379,332
Consolidation adjustments	**(3,883,458)**	(3,409,589)
Consolidated total assets	**143,857,404**	145,969,743

Reconciliation of Consolidated Total Liabilities

Total liabilities for reportable segments	**51,443,448**	59,185,004
Consolidation adjustments	**(473,908)**	(500,887)
Consolidated total liabilities	**50,969,540**	58,684,117

22. OPERATING SEGMENTS (CONT'D)

The manufacturing segment of the Group operates in Vietnam apart from its home country, Malaysia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Malaysia RM	Vietnam RM	Singapore RM	Europe RM	Hong Kong RM	Thailand RM	Others RM	Adjustment RM	Consolidated RM
2012									
Geographical segments									
Revenue from external customers by location of customers	**120,490,034**	**38,823,832**	**1,041,768**	**4,112,458**	**2,463,136**	**2,189,702**	**1,455,465**	**(4,359,809)**	**166,216,586**
Segment assets by location of assets	**122,859,618**	**24,881,244**	**-**	**-**	**-**	**-**	**-**	**(3,883,458)**	**143,857,404**
2011									
Geographical segments									
Revenue from external customers by location of customers	119,923,312	36,967,844	1,813,758	3,365,668	3,493,447	2,227,335	1,156,224	(4,513,776)	164,433,812
Segment assets by location of assets	128,523,751	20,855,581	-	-	-	-	-	(3,409,589)	145,969,743

23. FINANCIAL INSTRUMENTS

23.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables (L&R);
(b) Available-for-sale financial assets (AFS); and
(c) Other liabilities (OL).

2012	Carrying amount RM	L&R/ (OL) RM	AFS RM
Financial assets			
Group			
Other investments	675,351	182,500	492,851
Trade and other receivables	22,696,067	22,696,067	-
Cash and cash equivalents	14,403,057	14,403,057	-
	37,774,475	37,281,624	492,815
Company			
Amount due from subsidiaries	1,612,398	1,612,398	-
Other receivables	1,300	1,300	-
Cash and cash equivalents	1,141,014	1,141,014	-
	2,754,712	2,754,712	-
Financial liabilities			
Group			
Loans and borrowings	(23,139,162)	(23,139,162)	-
Trade and other payables	(23,392,386)	(23,392,386)	-
	(46,531,548)	(46,531,548)	-
Company			
Amount due to a subsidiary	(1,232,539)	(1,232,539)	-
Trade and other payables	(134,002)	(134,002)	-
	(1,366,541)	(1,366,541)	-

23. FINANCIAL INSTRUMENTS (CONT'D)

23.1 Categories of financial instruments (Cont'd)

2011	Carrying amount RM	L&R/ (OL) RM	AFS RM
Financial assets			
Group			
Other investments	657,043	182,500	474,543
Trade and other receivables	27,486,812	27,486,812	-
Cash and cash equivalents	9,657,330	9,657,330	-
	37,801,185	37,326,642	474,543
Company			
Amount due from subsidiaries	3,754,833	3,754,833	-
Other receivables	1,300	1,300	-
Cash and cash equivalents	340,665	340,665	-
	4,096,798	4,096,798	-
Financial liabilities			
Group			
Loans and borrowings	(28,832,956)	(28,832,956)	-
Trade and other payables	(25,552,020)	(25,552,020)	-
	(54,384,976)	(54,384,976)	-
Company			
Loans and borrowings	(1,157,600)	(1,157,600)	-
Amount due to a subsidiary	(3,244,601)	(3,244,601)	-
Trade and other payables	(134,002)	(134,002)	-
	(4,536,203)	(4,536,203)	-

23. FINANCIAL INSTRUMENTS (CONT'D)

23.2 Net gains and losses arising from financial instruments

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Net gains/(losses) arising on:				
Available-for-sale financial assets recognised in other comprehensive income	**18,308**	(25,457)	**-**	-
Loans and receivables	**355,545**	179,459	**177,051**	235,660
Financial liabilities measured at amortised cost	**(1,510,010)**	(1,727,194)	**(6,659)**	(45,068)
	(1,136,157)	(1,573,192)	**170,392**	190,592

23.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

23.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, other investments and deposits with licensed banks and approved financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

23.4.1 Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group associations to business partners with good credit rating.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts of receivables in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are business partners and customers with high creditworthiness that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

23. FINANCIAL INSTRUMENTS (CONT'D)

23.4 Credit risk (Cont'd)

23.4.1 Receivables (Cont'd)

Exposure to credit risk, credit quality and collateral (Cont'd)

The exposure of credit risk for trade and other receivables (excluding prepaid finance lease payments, other prepayments and deposit paid for acquisition of a freehold industrial land in prior year) as at the end of the reporting period by geographic region was:

	Group	
	2012 RM	**2011 RM**
Malaysia	**14,551,588**	20,626,660
Vietnam	**5,518,739**	5,310,484
Europe	**1,749,151**	836,321
Singapore	**95,904**	275,760
Hong Kong	**391,196**	202,639
Others	**389,489**	234,948
	22,696,067	27,486,812

Impairment losses

The ageing of trade receivables as at the end of the reporting period was:

Group	**Note**	**Gross RM**	**Individual impairment RM**	**Net RM**
2012				
Not past due		**20,794,110**	**-**	**20,794,110**
Past due 0 – 30 days		**44,568**	**-**	**44,568**
Past due 31 – 120 days		**3,537**	**-**	**3,537**
Past due more than 120 days		**111,892**	**(104,214)**	**7,678**
	8	**20,954,107**	**(104,214)**	**20,849,893**
2011				
Not past due		25,702,788	-	25,702,788
Past due 0 – 30 days		5,906	-	5,906
Past due 31 – 120 days		98,567	-	98,567
Past due more than 120 days		107,826	(104,214)	3,612
	8	25,915,087	(104,214)	25,810,873

23. FINANCIAL INSTRUMENTS (CONT'D)

23.4 Credit risk (Cont'd)

23.4.1 Receivables (Cont'd)

Impairment losses (Cont'd)

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	Group	
	2012 **RM**	**2011** RM
At 1 May	**104,214**	228,299
Impairment loss reversed	**-**	(3,985)
Impairment loss written off	**-**	(120,100)
At 30 April	**104,214**	104,214

The amount past due 31 – 120 days had been fully settled subsequent to the financial year end.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

23.4.2 Other investments

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group had invested in a structured investment with a licensed bank and transferrable club memberships. The maximum exposure to credit risk is represented by the carrying amounts of other investments in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations except for the impairment loss recognised in respect of certain transferrable club memberships below. The Group does not have overdue investments that have not been impaired.

The investments are unsecured.

Impairment losses

An impairment loss in respect of certain transferrable club membership of RM25,580 (2011: RM25,580) has been recognised in the previous years and as at the end of the reporting period, there was no indication that the other investments are not recoverable.

23. FINANCIAL INSTRUMENTS (CONT'D)

23.4 Credit risk (Cont'd)

23.4.3 Inter company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured interest bearing loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts of intercompany balances in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries are not recoverable. Shareholder's loans are on schedule based on the Loan Agreements.

23.4.4 Bank balances and deposits with licensed banks and other financial assets

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's cash and cash equivalents are deposited with licensed banks and approved financial institutions with high creditworthiness.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amounts of cash and cash equivalents in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations in respect of these deposits.

The other financial assets are unsecured.

23.4.5 Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks and other financial institutions in respect of banking and finance lease facilities granted to certain subsidiaries.

The Company monitors on an ongoing basis the results of subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM15,637,147 (2011: RM23,480,483) representing the outstanding banking and finance lease facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

23. FINANCIAL INSTRUMENTS (CONT'D)

23.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and available funds through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group and the Company aim at maintaining the flexibility in funding by keeping committed credit lines available. In addition, the Group and the Company ensure that the amount of debt maturing in any one year is not beyond the Group's and Company's means to repay and/or refinance.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities and other liabilities as at the end of the reporting period based on undiscounted contractual payments:

2012	Carrying amount RM	Contractual interest rate per annum	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 – 5 years RM	More than 5 years RM
Group							
Secured bills payable	2,907,097	5.6% - 6.0%	2,947,763	2,947,763	-	-	-
Unsecured bankers' acceptance	1,954,000	4.5%	1,973,727	1,973,727	-	-	-
Secured bank overdrafts	3,030,045	6.8% - 7.6%	3,030,045	3,030,045	-	-	-
Secured term loans	8,013,688	6.0% - 17.0%	9,167,561	2,139,529	2,063,128	4,404,958	559,946
Finance lease liabilities	7,234,332	3.1%	7,657,464	4,842,070	2,028,328	787,066	-
Amount due to Directors	2,488,339	-	2,488,339	2,488,339	-	-	-
Amount due to a non-controlling interest of a subsidiary	1,541,035	3.0%	1,761,075	437,836	619,688	703,551	-
Trade and other payables	19,363,012	-	19,363,012	19,363,012	-	-	-
	46,531,548		48,388,986	37,222,321	4,711,144	5,895,575	559,946

23. FINANCIAL INSTRUMENTS (CONT'D)

23.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

2011	Carrying amount RM	Contractual interest rate per annum	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 – 5 years RM	More than 5 years RM
Group							
Secured bills payable	2,686,176	5.6% - 6.0%	2,714,511	2,714,511	-	-	-
Unsecured bankers' acceptance	2,314,000	4.4% - 4.5%	2,335,078	2,335,078	-	-	-
Secured bank overdrafts	5,162,128	6.8% - 7.6%	5,162,128	5,162,128	-	-	-
Secured term loans	7,538,019	1.6% - 16.5%	8,983,307	3,485,292	1,262,726	3,161,239	1,074,050
Finance lease liabilities	11,132,633	3.1%	11,870,372	6,462,662	4,081,327	1,326,383	-
Amount due to Directors	2,748,339	-	2,748,339	-	2,748,339	-	-
Amount due to a non-controlling interest of a subsidiary	671,592	3.0%	783,172	70,748	311,040	401,384	-
Trade and other payables	22,132,089	-	22,132,089	22,132,089	-	-	-
	54,384,976		56,728,996	42,362,508	8,403,432	4,889,006	1,074,050

Company	Carrying amount RM	Contractual interest rate per annum	Contractual cash flows RM	Under 1 year RM
2012				
Amount due to a subsidiary	**1,232,539**	**-**	**1,232,539**	**1,232,539**
Trade and other payables	**134,002**	**-**	**134,002**	**134,002**
	1,366,541		**1,366,541**	**1,366,541**
2011				
Secured term loans	1,157,600	1.6%	1,164,368	1,164,368
Amount due to a subsidiary	3,244,601	-	3,244,601	3,244,601
Trade and other payables	134,002	-	134,002	134,002
	4,536,203		4,542,971	4,542,971

23. FINANCIAL INSTRUMENTS (CONT'D)

23.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

23.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar (USD).

Risk management objectives, policies and processes for managing the risk

The Group does not engage in foreign currency hedging on its foreign currency exposures but the management monitors these exposures on an ongoing basis to ensure that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. The Group also set up USD bank accounts as a natural hedge against any fluctuation in USD.

The Group and the Company are also exposed to foreign currency risk in respect of their investment in foreign subsidiaries. The Group does not hedge this exposure by having foreign currency borrowings but keeps this policy under review and will take necessary action to minimise the exposure of the risk.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Group Denominated in USD		Company Denominated in USD	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Trade and other receivables	**7,474,976**	6,420,186	**-**	-
Amount due from a subsidiary	**-**	-	**8,463**	3,055,830
Cash and cash equivalents	**5,759,054**	4,341,423	**1,118,542**	201,943
Trade and other payables	**(5,499,855)**	(3,635,895)	**-**	-
Loans and borrowings	**(3,776,925)**	(4,885,684)	**-**	(1,157,600)
Net exposure in the statement of financial position	**3,957,250**	2,240,030	**1,127,005**	2,100,173

23. FINANCIAL INSTRUMENTS (CONT'D)

23.6 Market risk (Cont'd)

23.6.1 Currency risk (Cont'd)

Currency risk sensitivity analysis

A 10% strengthening of Ringgit Malaysia against the following currencies at the end of the reporting period would have decreased profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant.

	Group Profit or loss		Company Profit or loss	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
USD	**(395,725)**	(224,003)	**(112,700)**	(210,017)

Conversely, a 10% weakening of Ringgit Malaysia against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The exposure to currency risk other than USD is not material and hence, sensitivity analysis is not presented.

23.6.2 Interest rate risk

The Group's and Company's income and operating cash flows are independent of changes in market interest rates. Interest rate exposure arises from the Group's and the Company's borrowings and deposits, and is managed through the use of fixed and floating rate borrowings.

Risk management objectives, policies and processes for managing the risk

The Group and the Company do not use derivative financial instruments to hedge their borrowings obligations.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Fixed rate instruments				
Financial assets	**6,416,100**	3,466,180	**-**	-
Financial liabilities	**(8,775,367)**	(11,804,225)	**-**	-
	(2,359,267)	(8,338,045)	**-**	-
Floating rate instruments				
Financial liabilities	**(15,904,830)**	(17,700,323)	**-**	(1,157,600)

23. FINANCIAL INSTRUMENTS (CONT'D)

23.6 Market risk (Cont'd)

23.6.2 Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss			
	100 bp increase 2012 RM	**100 bp decrease 2012 RM**	**100 bp increase 2011 RM**	**100 bp decrease 2011 RM**
Group				
Floating rate instruments	**(159,048)**	**159,048**	(177,000)	177,000
Company				
Floating rate instruments	**-**	**-**	(11,576)	11,576

23.7 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and loans and borrowings approximate fair values due to the relatively short term nature of these financial instruments or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

It was not practicable to estimate the fair value of the Group's transferable club memberships due to the lack of availability of reliable fair value and the inability to estimate fair value without incurring excessive costs.

The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

23. FINANCIAL INSTRUMENTS (CONT'D)

23.7 Fair value of financial instruments (Cont'd)

The fair values of other financial assets and liabilities together with the carrying amounts shown in the statement of financial position, as follows:

Group	2012 Carrying amount RM	2012 Fair value RM	2011 Carrying amount RM	2011 Fair value RM
Financial assets				
Other investments	**492,851**	**492,851**	474,543	474,543
Financial liabilities				
Amount due to a non-controlling interest of a subsidiary	**1,541,035**	**1,541,035**	671,592	671,592
Amount owing to Directors	**2,488,339**	**2,488,339**	2,748,339	2,748,339
Secured term loans	**8,013,688**	**8,013,688**	7,538,019	7,538,019
Finance lease liabilities	**7,234,332**	**7,234,332**	11,132,633	11,132,633

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

Other investments

The fair values of financial assets that are not quoted in an active market are determined by reference to their closing estimated valuation derived from market quotations at the end of the reporting period.

Non-derivative financial liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

Interest rates used to determine fair value

In respect of long term borrowings in variable interest rates, the carrying amounts approximate fair value as they are re-priced to market interest rates for liabilities with similar risk profiles.

The interest rates used to discount estimated cash flows, when applicable, are as follows:

	Group 2012	Group 2011
Amount due to a non-controlling interest of a subsidiary	**7.60%**	7.60%

24. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that is at 1.0 time or below.

	Group	
	2012 RM	2011 RM
Total loans and borrowings (Note 13)	**23,139,162**	28,832,956
Less: Cash and cash equivalents (Note 10)	**(14,403,057)**	(9,657,330)
Net debt	**8,736,105**	19,175,626
Total equity	**92,887,864**	87,285,626
Debt-to-equity ratio	**0.09**	0.22

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

25. CAPITAL COMMITMENTS

	Group	
	2012 RM	2011 RM
Capital expenditure commitments		
Property, plant and equipment		
Approved and contracted for	**718,731**	1,690,197
Approved but not contracted for	**2,315,281**	1,625,178
	3,034,012	3,315,375

26. CONTINGENT LIABILITIES (UNSECURED)

	Company	
	2012 RM	2011 RM
Corporate guarantee given to a licensed banks for:		
- banking facilities granted to subsidiaries	**15,637,147**	23,480,483

27. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel comprise primarily all the Directors of the Group.

Transactions with related parties

The significant related party transactions of the Group and the Company, other than key management personnel compensation, are as follows:

	Transactions amount for the year ended 30 April		Gross/Net balance outstanding at 30 April	
Group	**2012 RM**	**2011 RM**	**2012 RM**	**2011 RM**
Associates				
S&Y Metal Stamping Sdn. Bhd.*				
Sub-contract tooling and metal stamping works	**744,455**	1,249,314	**(46,956)**	(125,741)
Polychrome Sdn. Bhd.				
Sub-contract electroplating work	**170,904**	1,518,176	**-**	(276,212)
Companies in which the Directors have significant financial interests				
TC Yap Holdings Sdn. Bhd.				
Rental of premises	**214,425**	256,033	**-**	-
Muramoto Technics (M) Sdn. Bhd.				
Sales of metal components and tooling mould	**25,118,721**	20,932,416	**737,232**	4,989,478
Rental income	**351,000**	351,000	**29,250**	58,500
Purchase of machines	**21,000**	-	**-**	-
Microtechno Precision (M) Sdn. Bhd.				
Rental income	**-**	60,000	**-**	-
Muramoto Asia Pte. Ltd.				
Sales of gas appliances	**98,712**	128,688	**-**	20,016

27. RELATED PARTIES (CONT'D)

Transactions with related parties (Cont'd)

Group	Transactions amount for the year ended 30 April 2012 RM	2011 RM	Gross/Net balance outstanding at 30 April 2012 RM	2011 RM
Key management personnel of the Company				
Yap Toon Choy				
Rental of premises	**114,000**	60,000	**-**	-
Subsidiary				
Kein Hing Muramoto (Vietnam) Co., Ltd				
Interest income	**77,314**	201,555	**8,463**	161,830

The Directors of the Company are of the opinion that all the above transactions have been entered into in the normal course of business and have been established under commercial terms.

* Ceased to be associate on 10 June 2012.

28. SIGNIFICANT EVENT

On 10 January 2012, Kein Hing Industry Sdn. Bhd., a wholly-owned subsidiary of the Company, disposed of its entire equity interest of 140,000 ordinary shares representing 28% equity interest in S&Y Metal Stamping Sdn. Bhd. ("S&Y") to the existing individual substantial shareholders and Directors of S&Y for a total cash consideration of RM1,815,800. S&Y contributed a profit of RM275,904 to the consolidated profit for the year ended 30 April 2012.

The fair value of assets and liabilities assumed in the disposal had the following effect on the Group's assets as at 30 April:

	2012 RM
Total assets	**22,617,762**
Total liabilities	**(9,946,964)**
Net assets	**12,670,798**
Share of net assets at 28%	**3,547,824**
Loss on disposal	**(1,732,024)**
Net cash inflow	**1,815,800**

Following the disposal, S&Y ceased to be an associate of the Group.

29. SUBSEQUENT EVENT

Subsequent to the financial year end, the Company had on 8 June 2012 incorporated a wholly-owned subsidiary company namely Kein Hing Industry Vietnam Co., Ltd. ("KHIV") in Vietnam. The principal activities of KHIV will be sheet metal forming, precision machining, manufacturing and fabrication of tools and dies and assembly of components. KHIV had on 31 July 2012 entered into a Land Lease Agreement with a third party to acquire a vacant industrial land measuring approximately 8,800 square meters at a cash consideration of VND 14,698,820,421 or equivalent to approximately RM2,112,000.

30. SUPPLEMENTARY INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as at 30 April 2012, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group	
	2012 RM	**2011 RM**
Total retained profits of the Company and its subsidiaries		
Realised	**40,448,687**	32,576,204
Unrealised	**(4,629,467)**	(5,687,685)
	35,819,220	26,888,519
Total retained profits from associated companies		
Realised	**951,855**	3,971,952
Unrealised	**-**	(168,000)
	36,771,075	30,692,471
Add : Consolidated adjustments	**1,194,608**	3,171,269
Total retained earnings	**37,965,683**	33,863,740

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by Malaysian Institute of Accountants on 20 December 2010.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

In the opinion of the Directors, the financial statements set out on pages 27 to 86 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as of 30 April 2012 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 30 to the financial statements have been compiled in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Yap Toon Choy

Yong Elaine

Selangor Darul Ehsan,

Date: 28 August 2012

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **Kok Mun Choon,** the officer primarily responsible for the financial management of Kein Hing International Berhad, do solemnly and sincerely declare that the financial statements set out on pages 27 to 87 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 28 August 2012.

Kok Mun Choon

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KEIN HING INTERNATIONAL BERHAD

(Company No. 616056-T) (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Kein Hing International Berhad, which comprise the statements of financial position as at 30 April 2012 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 27 to 86.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 April 2012 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT

OTHER REPORTING RESPONSIBILITIES

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 30 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Lee Yee Keng
Approval Number: 2880/04/13(J)
Chartered Accountant

Petaling Jaya,

Date: 28 August 2012

LIST OF PROPERTIES

AS AT 30 APRIL 2012

Location	Registered/ Beneficial Owner	Existing use/ Description of property	Tenure/ Expiry date	Age of Building years	Land area/ Built-up area sq. m.	Date of last Revaluation/ Acquisition	Net Book Value RM
Lot 2121 Jalan Maktab Off Jalan Kolej 43300 Seri Kembangan Selangor Darul Ehsan	KHI	Residential; Single storey bungalow house	Freehold	29	488/ 226	1-12-2004	342,263
Lot 1863 and 1864 Jalan Kolej 43300 Seri Kembangan Selangor Darul Ehsan	KHI	Factory/ Industrial; Single-storey factory with a 3-storey office and factory annexe	Freehold	15	7,891/ 6,116	18-2-2004 (Revalued)	7,594,642
No. 2 and 4, 6 and 8, Jalan Indah 2/16 Taman Universiti Indah 43300 Seri Kembangan Selangor Darul Ehsan	KHI	Factory/ Industrial; 1½ storey terrace factories	Freehold	19	734/ 563	18-2-2004 (Revalued)	677,173
Lot 44, Jalan 6/2 43300 Seri Kembangan Selangor Darul Ehsan	KHI	Factory/ Industrial; Single storey semi-detached factory with a 2-storey office annexe	Leasehold expiring on 7-11-2099	16	988/ 795	18-2-2004 (Revalued)	797,023
Lot 33, Jalan 6/2, 43300 Seri Kembangan Selangor Darul Ehsan	KHI	Manufacturing/ Industrial; Single storey factory with 2½ storey office annexe	Leasehold expiring on 10-1-2089	11	4,086/ 2,123	18-2-2004 (Revalued)	3,492,793
Lot 1866 and 1867 Jalan Kolej 43300 Seri Kembangan Selangor Darul Ehsan	KHI	Factory/ Industrial; 3-storey factory with 4-storey office cum car park block	Freehold	8	8,195/ 8,179	1-12-2004	11,890,422
Tempat Batu 5 Jalan Kuala Lumpur Mukim Bentong Daerah Bentong Pahang Darul Makmur	KHI	Agriculture; Fruit orchard and vacant land	Freehold	N/A	3.4171 Hectares	8-1-2003	236,425
S153, Serdang Jaya 43300 Seri Kembangan Selangor Darul Ehsan	KHI	Residential; Single storey wooden house	Leasehold expiring on 28-10-2046	27	297.6/ 250	25-2-2003	123,482

LIST OF PROPERTIES

Location	Registered/ Beneficial Owner	Existing use/ Description of property	Tenure/ Expiry date	Age of Building years	Land area/ Built-up area sq. m.	Date of last Revaluation/ Acquisition	Net Book Value RM
Lot 1840 Jalan Kolej 43300 Seri Kembangan Selangor Darul Ehsan	KHI	Warehouse/ Industrial; Single-storey warehouse cum car park block	Freehold	4	4,300/ 1,230	1-7-2008	1,166,962
Lot 117 HICOM Industrial Park Pegoh 78000 Alor Gajah Melaka	KHI	Industrial land	Freehold	N/A	16,776	21-6-2011	1,890,070
Plot C3 Thang Long Industrial Park Dong Anh District Hanoi, Vietnam	KHMV	Factory/ Industrial; Single-storey factory with a 2-storey office annexe	Leasehold expiring on 28-2-2047	8	15,693/ 4,581	1-11-2004	5,513,637

ANALYSIS OF SHAREHOLDINGS

Authorised Share Capital	:	RM50,000,000.00 (100,000,000 Ordinary Shares of RM0.50 each)
Issued and fully paid-up	:	RM49,500,000.00 (99,000,000 Ordinary Shares of RM0.50 each)
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One Vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 30 AUGUST 2012

Size of Holdings	No. of Shareholders	No. of Shares	Percentage (%)
1 – 99	8	420	0.00
100 – 1,000	228	179,700	0.18
1,001 – 10,000	602	2,975,000	3.01
10,001 – 100,000	308	10,175,000	10.28
100,001 – 4,949,999 (*)	38	16,705,290	16.87
4,950,000 and above (**)	3	68,964,590	69.66
Total	**1,187**	**99,000,000**	**100.00**

Remark: * Less than 5% of the issued and paid-up share capital.
** 5% and above of the issued and paid-up capital.

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 30 AUGUST 2012

		Direct Shareholdings		Indirect Shareholdings	
	Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
1.	Yap Toon Choy	37,576,520	37.95	20,870,070[(a)]	21.08
2.	Shingo Muramoto	-	-	4,372,600[(b)]	4.42
3.	Yong Elaine	20,870,070	21.08	37,576,520[(c)]	37.95
4.	Swee Soo Mang	-	-	-	-
5.	Darsan Singh a/l Balwant Singh	-	-	-	-
6.	Gan Chee Tsong	-	-	-	-

(a) Deemed interest by virtue of being the spouse of Yong Elaine, a major shareholder of KHIB and pursuant to Section 134(12)(c) of the Act.
(b) Deemed interested by virtue of his interest in Muramoto Singapore pursuant to Section 6A of the Act.
(c) Deemed interest by virtue of being the spouse of Yap Toon Choy, a major shareholder of KHIB and pursuant to Section 134(12)(c) of the Act.

ANALYSIS OF SHAREHOLDINGS

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 30 AUGUST 2012

		Direct Shareholdings		Indirect Shareholdings	
	Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
1.	Yap Toon Choy	37,576,520	37.95	20,870,070[(a)]	21.08
2.	Yong Elaine	20,870,070	21.08	37,576,520[(b)]	37.95
3.	Kam Loong Mining Sdn. Bhd.	10,518,000	10.62	-	-
4.	Yap Ah Fatt	20,000	0.02	10,518,000[(c)]	10.62
5.	Foo Khen Ling	1,100,000	1.11	10,518,000[(c)]	10.62

(a) Deemed interest by virtue of being the spouse of Yong Elaine, a major shareholder of KHIB and pursuant to Section 134(12)(c) of the Act.
(b) Deemed interest by virtue of being the spouse of Yap Toon Choy, a major shareholder of KHIB and pursuant to Section 134(12)(c) of the Act.
(c) Deemed interest by virtue of his/her direct interest in Kam Loong Mining Sdn. Bhd. pursuant to Section 6A of the Act.

LIST OF TOP THIRTY (30) SHAREHOLDERS AS AT 30 AUGUST 2012

No.	Name	No. of Shares	Percentage %
1.	Yap Toon Choy	37,576,520	37.95
2.	Yong Elaine	20,870,070	21.08
3.	Kam Loong Mining Sdn. Bhd.	10,518,000	10.62
4.	Muramoto Asia Pte. Ltd.	4,372,600	4.42
5.	Soh Tik Siew	1,487,800	1.50
6.	Cheong Siew Park	1,269,300	1.28
7.	Foo Khen Ling	1,100,000	1.11
8.	Gan Ah Kooi	668,300	0.68
9.	Yee Tien Soon	635,000	0.64
10.	Yong Yoke Luen	511,400	0.52
11.	Wong Fook Sum	440,000	0.44
12.	Teh Ah Lian	421,000	0.43
13.	Liew Choon Fong	363,250	0.37
14.	Lee Hong Hai	357,500	0.36

LIST OF TOP THIRTY (30) SHAREHOLDERS AS AT 30 AUGUST 2012 (CONT'D)

No.	Name	No. of Shares	Percentage %
15.	Ana Low	320,500	0.32
16.	Chan Weng Pooi	319,000	0.32
17.	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Chai Kin Loong	316,400	0.32
18.	HLG Nominee (Asing) Sdn. Bhd. - Exempt An For UOB Kay Hian Pte Ltd	310,000	0.31
19.	Yap Cheong Kit	261,600	0.26
20.	Ooi Cheng Huat @ Ooi Peng Huat	260,500	0.26
21.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Ong Eng Boo	203,200	0.21
22.	Gan Siew Kee	201,800	0.20
23.	Cimsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Ng Geok Wah	200,000	0.20
24.	Lim Tau San	200,000	0.20
25.	Tng Kee Meng	200,000	0.20
26.	Tan Thian Joo @ Tan Thian Soo	192,400	0.19
27.	Ooi Cheng Huat @ Ooi Peng Huat	191,000	0.19
28.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Tan Cheoh Leong	185,000	0.19
29.	Yaw Yin Chong	172,000	0.17
30.	Chan Kok Heng	169,100	0.17

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of the Company will be held at Factory B, Lot 1863 and 1864, Jalan Kolej, 43300 Seri Kembangan, Selangor Darul Ehsan on Wednesday, 17 October 2012 at 10.00 a.m. for the following purposes:-

AGENDA

1) To receive the Audited Financial Statements for the year ended 30 April 2012 together with the Directors' and Auditors' Reports thereon.

2) To approve the payment of the Directors' Fees for the year ended 30 April 2012. **Resolution 1**

3) To approve a First and Final Tax-Exempt Dividend of 2% for the year ended 30 April 2012. **Resolution 2**

4) To re-elect the following Directors who are retiring in accordance with Article 79 of the Company's Articles of Association:-

   (a) Mr. Darsan Singh A/L Balwant Singh **Resolution 3**

   (b) Mr. Shingo Muramoto **Resolution 4**

5) To re-appoint Messrs. KPMG, the retiring Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Resolution 5**

6) **SPECIAL BUSINESS:-**

   To consider and, if thought fit, pass with or without modifications, the following Resolutions:-

   ORDINARY RESOLUTION NO. 1 **Resolution 6**

   - **AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

     "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued and paid-up share capital of the Company for the time being, subject always to the approvals of the relevant regulatory authorities.**"**

ORDINARY RESOLUTION NO. 2 **Resolution 7**

- **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH T.C. YAP HOLDINGS SDN. BHD. AND MR. YAP TOON CHOY**

"THAT approval be and is hereby given to the KHIB Group to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with T.C. Yap Holdings Sdn. Bhd. and Mr. Yap Toon Choy, the Group Managing Director and Major Shareholder of KHIB as stated in section 2.3.3 of the Circular to shareholders of the Company dated 25 September 2012, being necessary for the day-to-day operations of the KHIB Group, subject to the following:-

(i) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and is not to the detriment of the minority shareholders and that such transactions are made on an arm's length basis and on normal commercial terms; and

(ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to this shareholders' mandate during the financial year; and

(iii) the authority given shall continue to be in force until:-

(a) the conclusion of the Tenth Annual General Meeting ("AGM") of the Company, at which time it will lapse unless, by a resolution passed at the Tenth AGM, the authority is renewed; or

(b) the expiration of the period within which the Tenth AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(c) it is revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

THAT the Directors be and are hereby authorised to complete and do all such acts, deeds and things necessary to give effect to the transactions contemplated or authorised by this resolution.**"**

ORDINARY RESOLUTION NO. 3 **Resolution 8**

- **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH MURAMOTO TECHNICS (MALAYSIA) SDN. BHD. AND KEIN HING MURAMOTO (VIETNAM) CO., LTD.**

"THAT approval be and is hereby given to the KHIB Group to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with Muramoto Technics (Malaysia) Sdn. Bhd. and Kein Hing Muramoto (Vietnam) Co., Ltd. as stated in section 2.3.3 of the Circular to shareholders of the Company dated 25 September 2012, being necessary for the day-to-day operations of the KHIB Group, subject to the following:-

(i) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and is not to the detriment of the minority shareholders and that such transactions are made on an arm's length basis and on normal commercial terms; and

(ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to this shareholders' mandate during the financial year; and

(iii) the authority given shall continue to be in force until:-

(a) the conclusion of the Tenth AGM of the Company, at which time it will lapse unless, by a resolution passed at the Tenth AGM, the authority is renewed; or

(b) the expiration of the period within which the Tenth AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(c) it is revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

THAT the Directors be and are hereby authorised to complete and do all such acts, deeds and things necessary to give effect to the transactions contemplated or authorised by this resolution.**"**

ORDINARY RESOLUTION NO. 4 **Resolution 9**

- **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH MURAMOTO ASIA PTE. LTD**

"THAT approval be and is hereby given to the KHIB Group to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with Muramoto Asia Pte. Ltd as stated in section 2.3.3 of the Circular to shareholders of the Company dated 25 September 2012, being necessary for the day-to-day operations of the KHIB Group, subject to the following:-

(i) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and is not to the detriment of the minority shareholders and that such transactions are made on an arm's length basis and on normal commercial terms; and

(ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to this shareholders' mandate during the financial year; and

(iii) the authority given shall continue to be in force until:-

(a) the conclusion of the Tenth AGM of the Company, at which time it will lapse unless, by a resolution passed at the Tenth AGM, the authority is renewed; or

(b) the expiration of the period within which the Tenth AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(c) it is revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

THAT the Directors be and are hereby authorised to complete and do all such acts, deeds and things necessary to give effect to the transactions contemplated or authorised by this resolution.**"**

ORDINARY RESOLUTION NO. 5 **Resolution 10**

- **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH KAM LOONG MINING SDN. BHD.**

  "THAT approval be and is hereby given to the KHIB Group to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with Kam Loong Mining Sdn. Bhd., the Major Shareholder of KHIB as stated in section 2.3.3 of the Circular to shareholders of the Company dated 25 September 2012, being necessary for the day-to-day operations of the KHIB Group, subject to the following:-

  (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and is not to the detriment of the minority shareholders and that such transactions are made on an arm's length basis and on normal commercial terms; and

  (ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to this shareholders' mandate during the financial year; and

  (iii) the authority given shall continue to be in force until:-

    (a) the conclusion of the Tenth Annual General Meeting ("AGM") of the Company, at which time it will lapse unless, by a resolution passed at the Tenth AGM, the authority is renewed; or

    (b) the expiration of the period within which the Tenth AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

    (c) it is revoked or varied by resolution passed by the shareholders in general meeting,

    whichever is earlier.

  THAT the Directors be and are hereby authorised to complete and do all such acts, deeds and things necessary to give effect to the transactions contemplated or authorised by this resolution.**"**

ORDINARY RESOLUTION NO. 6 **Resolution 11**

- **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH KEIN HING MURAMOTO (VIETNAM) CO., LTD.**

  "THAT approval be and is hereby given to the KHIB Group to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with Kein Hing Muramoto (Vietnam) Co., Ltd. as stated in section 2.3.3 of the Circular to shareholders of the Company dated 25 September 2012, being necessary for the day-to-day operations of the KHIB Group, subject to the following:-

  (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and is not to the detriment of the minority shareholders and that such transactions are made on an arm's length basis and on normal commercial terms; and

  (ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to this shareholders' mandate during the financial year; and

  (iii) the authority given shall continue to be in force until:-

  (a) the conclusion of the Tenth Annual General Meeting ("AGM") of the Company, at which time it will lapse unless, by a resolution passed at the Tenth AGM, the authority is renewed; or

  (b) the expiration of the period within which the Tenth AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

  (c) it is revoked or varied by resolution passed by the shareholders in general meeting,

  whichever is earlier.

  THAT the Directors be and are hereby authorised to complete and do all such acts, deeds and things necessary to give effect to the transactions contemplated or authorised by this resolution.**"**

ORDINARY RESOLUTION NO. 7 **Resolution 12**

- **PROPOSED SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK**

"THAT subject to the Companies Act, 1965, the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant regulatory authorities, the Company be and is hereby authorised to purchase and/or to hold up to ten percent (10%) of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit and expedient in the best interest of the Company and an amount not exceeding the retained profits and share premium reserves of the Company, be allocated by the Company for the Proposed Share Buy-Back. The retained profits and share premium reserves of the Company stood at RM4,904,038 and RM2,668,992 respectively for the financial year ended 30 April 2012.

AND THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to cancel such shares or retain such shares as the Treasury Shares or a combination of both. The Directors of the Company are further authorised to resell the Treasury Shares on Bursa Securities or distribute the Treasury Shares as dividends to the shareholders of the Company or subsequently cancel the Treasury Shares or any combination of the three.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to carry out the Proposed Share Buy-Back immediately upon the passing of this resolution until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the authority shall lapse, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occur first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to do all such acts and things as the Directors of the Company deem fit and expedient in the interest of the Company to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, amendments and/or variations as may be imposed by the relevant authorities.**"**

SPECIAL RESOLUTION **Resolution 13**

- **PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION**

"THAT the proposed amendments to the Articles of Association of the Company as contained in Appendix I of the Annual Report 2012 ("Proposed Amendments") be and are hereby approved and adopted.**"**

7) To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a First and Final Tax-Exempt Dividend of 2% in respect of the year ended 30 April 2012 will be payable on 20 November 2012 to Depositors registered in the Record of Depositors at the close of business on 23 October 2012.

A Depositor shall qualify for entitlement only in respect of:-

a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 23 October 2012 in respect of ordinary transfers; and

b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order Of The Board
KEIN HING INTERNATIONAL BERHAD

NG YIM KONG (LS0009297)
Company Secretary

25 September 2012

Selangor Darul Ehsan

Notes:-

1. *A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy or Proxies to attend and vote on his(her) behalf. A Proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

2. *Where a member appoints more than one (1) Proxy, the appointment shall be invalid unless he(she) specifies the proportions of his(her) holdings to be represented by each Proxy.*

3. *The Form of Proxy shall be signed by the appointor or his(her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.*

4. *The instrument appointing a Proxy must be deposited at the Registered Office of the Company at Lot 1863, Jalan Kolej, 43300 Seri Kembangan, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for the Meeting or at any adjournment thereof.*

Explanatory Notes on Special Business: -

(a) Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965

The proposed Resolution 6 under item 6 of the Agenda, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, with the authority to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued and paid-up capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

The general mandate sought to grant authority to Directors to allot and issue shares is a renewal of the mandate that was approved by the shareholders at the Eighth Annual General Meeting held on 28 October 2011. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

Up to the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Eighth Annual General Meeting because there was no need for any fund raising activity for the purpose of investment, acquisition or working capital.

(b) Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Resolution 7, 8, 9, 10 and 11 under item 6 above, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions provided that such transactions are in the ordinary course of business and undertaken at arm's length, on normal commercial terms of the Company and its subsidiaries which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders ("Proposed Shareholders' Mandate").

The Proposed Shareholders' Mandate would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential recurrent related party transactions arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company and its subsidiaries.

Further information on the Proposed Shareholders' Mandate is set out in the Circular to shareholders of the Company which is despatched together with the Annual Report of the Company for the financial year ended 30 April 2012.

(c) Proposed Shareholders' Mandate for Share Buy-Back

The Resolution 12 proposed under item 6, is to seek the authority for the Company to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company on Bursa Malaysia Securities Berhad. For further information on the Proposed Shareholders' Mandate for Share Buy-Back, please refer to the Circular to Shareholders dated 25 September 2012 enclosed together with the Company's 2012 Annual Report.

(d) Proposed Amendments To The Company's Articles Of Association

The proposed Resolution 13 under item 6 is to amend the Company's Articles of Association to be in line with the recent amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The details of the Proposed Amendments are as set out in Appendix I on page 106 to 108 of this Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Details of Directors who are standing for re-election in Agenda 4 (Mr. Darsan Singh A/L Balwant Singh and Mr. Shingo Muramoto) of the Notice of the Ninth Annual General Meeting are laid out in pages 4 to 5 of this Annual Report.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd in accordance with Article 55(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 10 October 2012. Only a depositor whose name appears on the Record of Depositors as at 10 October 2012 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his stead.

APPENDIX I

SPECIAL RESOLUTION – PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

THAT the Articles of Association of the Company be amended in the following manner:-

Article No.	Existing Articles	Amended Articles
2 Interpretation	**WORDS** **MEANINGS** - No Provision	**WORDS** **MEANINGS** **Exempt Authorised Nominee** **An authorised nominee defined under the Central Depositories Act which is exempted from compliance with provisions of subsection 25A(1) of the Central Depositories Act.**
64 Right to vote	Subject to any rights or restrictions for the time being attaching to any class or classes of shares, at meetings of Members or of classes of Members each Member entitled to vote may vote in person or by proxy or by attorney or being a corporation is represented by a representative and on a show of hands every person present who is a Member or a proxy or an attorney or being a corporation is represented by a representative of a Member shall have one (1) vote, and on a poll every Member present in person or by proxy or by attorney or other duly authorised representative for a corporation shall have one (1) vote for every such share he holds.	Subject to any rights or restrictions for the time being attaching to any class or classes of shares, at meetings of Members or of classes of Members each Member entitled to vote may vote in person or by proxy or by attorney or being a corporation is represented by a representative and on a show of hands every person present who is a Member or a proxy or an attorney or being a corporation is represented by a representative of a Member shall have one (1) vote, and on a poll every Member present in person or by proxy or by attorney or other duly authorised representative for a corporation shall have one (1) vote for every such share he holds. **A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.**

Article No.	Existing Articles	Amended Articles
69 Proxy to be in writing	The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.	The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. **A Member of a Company entitled to attend and vote at a meeting of a Company, or at a meeting of any class of Members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the Member at the meeting.** **There shall be no restriction as to the qualification of the proxy** and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
70 Number of Proxy	A Member (other than an authorised nominee as defined under Central Depository Act) may appoint more than one (1) but not exceeding two (2) proxies to attend the same meeting. Where a Member appoints more than one (1) proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.	A Member (other than an authorised nominee as defined under Central Depository Act) may appoint more than one (1) but not exceeding two (2) proxies to attend the same meeting. Where a Member appoints more than one (1) proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. **Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.**

Article No.	Existing Articles	Amended Articles
72 Instrument appointing proxy to be deposited	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office of the Company, or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid.	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office of the Company, or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid. **The completed instrument of proxy once deposited will not preclude the member from attending and voting in person at the General Meeting should the Member subsequently wish to do so.** **A Member who is not resident in Malaysia or Singapore may by cable or other telegraphic communication appoint a proxy/proxies to vote for him at any General Meeting of the Company PROVIDED:-** **(a) such cable or other telegraphic communication shall have been received at the Office not less than forty-eight (48) hours before the time for the holding of the General Meeting or adjourned meeting as the case may be at which the person named in such cable or other telegraphic communication proposes to vote; and** **(b) the Directors are satisfied as to the genuineness of such cable or other telegraphic communication.**

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PROXY FORM

KEIN HING INTERNATIONAL BERHAD
(Company No. 616056-T) (Incorporated in Malaysia)

I/We ____

of ____ being a member of

KEIN HING INTERNATIONAL BERHAD hereby appoint ________________________________

of ____,

or failing whom ____

of ____,

or * the Chairman of the meeting as * my/our Proxy(ies) to vote for * me/us and act on * my/our behalf at the Ninth Annual General Meeting of the Company to be held at Factory B, Lot 1863 and 1864, Jalan Kolej, 43300 Seri Kembangan, Selangor Darul Ehsan on Wednesday, 17 October 2012 at 10.00 a.m. and at any adjournment thereof * for/against the resolution(s) to be proposed thereat.

* My/Our Proxy(ies) is(are) to vote as indicated below:-

No.	Resolutions	For	Against
1.	Resolution 1		
2.	Resolution 2		
3.	Resolution 3		
4.	Resolution 4		
5.	Resolution 5		
6.	Resolution 6		
7.	Resolution 7		
8.	Resolution 8		
9.	Resolution 9		
10.	Resolution 10		
11.	Resolution 11		
12.	Resolution 12		
13.	Resolution 13		

** Strike out whichever not applicable*

[Please indicate with (X) in the spaces provided how you wish your vote to be casted. If no specific direction as to voting is given, the Proxy will vote or abstain at his(her) discretion].

Number of shares held:	

Dated this ________________ day of ________________ 2012

____

(Signature/Common Seal of Member)

Notes: -

1. *A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy or Proxies to attend and vote on his(her) behalf. A Proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *Where a member appoints more than one (1) Proxy, the appointment shall be invalid unless he(she) specifies the proportions of his(her) holdings to be represented by each Proxy.*
3. *The Form of Proxy shall be signed by the appointor or his(her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.*
4. *The instrument appointing a Proxy must be deposited at the Registered Office of the Company at Lot 1863, Jalan Kolej, 43300 Seri Kembangan, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for the Meeting or at any adjournment thereof.*

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STAMP

The Company Secretary

KEIN HING INTERNATIONAL BERHAD
(Company No. 616056-T)
Lot 1863, Jalan Kolej
43300 Seri Kembangan
Selangor Darul Ehsan

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